Copy a

THE COMMUNIST

VOL. VII FEBRUARY, 1928 NO. 2

IN THIS ISSUE

1. The Presidential Elections in the U. S. . . . . *V. I. Lenin*
2. Herbert Hoover . . . . . *H. M. Wicks*
3. The Present Economic Situation . . . . . *Jay Lovestone*
4. Capitalist Efficiency "Socialism" . . . . . *Wm. Z. Foster*
5. The Crisis in the United Mine Workers . . . . *W. F. Dunne*
6. America Discusses the Opposition . . . . . *B. D. Wolfe*

PRICE 25 cents

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

WRECKING THE LABOR BANKS

By

WM. Z. FOSTER

A snap-shot of the reactionary labor officialdom in an orgy of looting the treasury of the B. of L. E.

25 CENTS

STALIN'S INTERVIEW

with the FIRST AMERICAN TRADE UNION DELEGATION TO SOVIET RUSSIA

Questions and Answers to American Trade Unionists

25 CENTS 5 COPIES FOR $1.00

WORKERS LIBRARY PUBLISHERS
39 East 125th Street New York, N. Y.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The COMMUNIST

A Theoretical Magazine for the Discussion of Revolutionary Problems

Published for the Workers (Communist) Party of America

BERTRAM D. WOLFE, *Editor*

Entered as second class matter November 2, 1927, at the Post Office at New York, N. Y., under the act of March 3, 1890.

VOL. VII FEBRUARY, 1928 No. 2

Table of Contents

THE PRESIDENTIAL ELECTIONS IN THE U. S. . . . 67
V. I. LENIN

HERBERT HOOVER 69
H. M. WICKS

THE PRESENT ECONOMIC SITUATION 75
JAY LOVESTONE

CAPITALIST EFFICIENCY "SOCIALISM" 90
WM. Z. FOSTER

THE CRISIS IN THE UNITED MINE WORKERS . . . 105
WM. F. DUNNE

AMERICA DISCUSSES THE OPPOSITION 110
BERTRAM D. WOLFE

Make all checks, money orders, and correspondence to: THE COMMUNIST, 43 East 125th St., New York. Subscription rates $2.00 a year; $1.25 for six months; foreign and Canada $2.50 a year. Single copies 25 cents.

B. CARLIN, *Business Manager.*

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Presidential Elections in the United States[1]

By V. I. Lenin

IN THE UNITED STATES, Wilson, "Democrat," has been elected President, receiving over 6,000,000 votes. Roosevelt, new "National Progressive Party," received over 4,000,000; Taft, Republican Party, over 3,000,000; Eugene Debs, Socialist, 800,000 votes.

The world significance of the American elections lies not so much in the strong growth of Socialist votes as in the very great crisis in the bourgeois parties, in the immense power in which their decay appears. And, finally, the significance of the elections lies in the unusually clear and obvious manifestation of bourgeois reformism as a method of struggle against Socialism.

America has full freedom. And yet here there are two bourgeois parties that have grown remarkably in strength and power in the half century after the Civil War (1860-1865) that arose on account of the slavery question. The party of the ex-slave owners —this is the so-called "Democratic" Party. The party of the capitalists, that once stood for the emancipation of the Negroes has developed into the Republican Party.

Since the emancipation of the Negro the differences between these two parties have become less and less. The struggle between these two parties dealt largely with the question of low or high tariff. This struggle *is of no serious consequence* to the masses of the people. The people have been deceived; their attention has been sidetracked from their immediate interests by the methods of the ineffective and meaningless duels between the two bourgeois parties. This so-called "two party" system, reigning in America and in England as well, has been one of the most powerful methods of preventing the foundation of an independent labor, that is, genuine Socialist, party. And now in this America, in the country of the most progressive capitalism, this "two-party" system has become bankrupt!

What has brought about such a breach? The power of the working class movement, the growth of Socialism! The old bourgeois parties, the "Democratic" and the "Republican," had their

[1] Reprinted for the first time in English from *Pravda* of Nov. 9, 1912.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

faces turned to the past, to the epoch of the emancipation of the Negro. The new bourgeois party, the "National Progressive Party," turned its face to the *future*. Its whole program centers around the question of whether capitalism is to be or not to be—namely, the questions of the protection of labor and of trusts, as the associations of capitalists are called in America.

The old parties were the results of the period that was faced with the task of the quickest development of capitalism. The struggle between the parties was confined to this question: how better to help to speed up and facilitate this development.

The new party is the child of the modern epoch which has thrown up the question of the very existence of capitalism. In the freest and the most progressive country, in America, this question appears on the order of the day more broadly and vigorously.

The whole program, the whole agitation of Roosevelt and of the "progressives" centers around this: "*How to save capitalism by . . . bourgeois reforms.*"

This bourgeois reformism, which in old Europe is expressed in the chattering of liberal professors, this bourgeois reformism in the free American republic, is expressed by an outburst of a party of 4,000,000. This is a la America.

> "We will save capitalism thru reforms"—says this party.
>
> "We will give you the most progressive factory legislation. We will introduce state control of *all* trusts (in America this means of *all* industry). We will control them in order to destroy poverty and ensure a 'decent wage' for all. We will give 'social and industrial justice.' We swear by *all* reforms. Only '*one reform*' we don't want—*the expropriation of the capitalists.*"

In America the national wealth now amounts to $120,000,000,000. Of this, nearly one-third belongs to the trusts of Rockefeller and Morgan or to those controlled by them. No more than 40,000 people, who make up these two trusts, are the masters of 80,000,000 wage slaves. It is very understandable that while these modern slave-owners exist, *all* reform—is plain deception. Roosevelt is consciously hired by the millionaire-swindlers in order to preach this deception. "State control," which is promised by him, will be converted, while capital is preserved in the hands of the capitalists, into a method of struggle against strikes and for stifling them.

But the American proletariat is already awakened and is on the alert. With fresh irony it confronts Roosevelt's success. "You enlisted four million people by your promises of reform, dear charlatan Roosevelt? Very well! Tomorrow these four million will see that your promises are deception. And besides, these millions follow you just because they feel—they can no longer live in the old way." . . .

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Herbert Hoover

By H. M. WICKS

MR. HERBERT HOOVER, since 1921 Secretary of Commerce in the cabinet of the president of the United States, is today the leading aspirant for the Republican nomination as chairman of the executive committee of the American capitalist class. The most powerful forces in the camp of American imperialism have for years been encouraging the candidacy of Hoover. It is no secret that his candidacy has the support of the Mellon-Coolidge administration. That the administration has not declared openly for Hoover is due solely to tactical considerations, not to any absence of enthusiasm.

Who is this man, Hoover, that just at this particular historical moment is put forth by a powerful section of the imperialist masters of this country as the standard bearer of the major political party? And what is the situation that requires the services of such a man?

As to Hoover, himself: He is not, in the narrow sense of the word, what passes as a politician in the United States. That is to say, he has not arrived at his present position by the familiar evolution from ward heeler or shyster lawyer to cabinet member. Nevertheless he has played politics all his life. Not the provincial kind, but on a large scale, serving many masters in all parts of the world. He is a cosmopolitan politician and he has left the imprint of the class he serves upon many peoples of many lands.

Hoover calls himself a technician, an engineer. From 1895 to 1913, he helped blaze the trail of imperialism by engaging in professional work on mines, railways, metalurgical industries in South Africa, Mexico, India, China, Russia and many other parts of the world where finance capital was extending its power and bringing the blessings of its rule to "backward countries." He also did considerable work in the United States, Canada, Great Britain, Italy and other nations.

His first avowed political activity began in 1913-14 when he represented the Panama Pacific International Exposition in Europe.

But the outbreak of the war furnished him a sphere in which to display his real talents. In 1914, while President Woodrow Wilson was indulging in exalted sentiments about remaining "neutral in thought as well as in deed," Hoover was actively in the war on the side of the British, French and Russians. He was chosen chairman of the American Relief Commission in London, at the alleged

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

request of American citizens living in England. A few months thereafter he became chairman of the Committee for Relief in Belgium and demonstrated his ability to combine a pretense at relief with poisonous war-mongering propaganda. While no one can determine exactly what relief was given Belgium in the early part of the war, there is a very imposing record of faked propaganda against the Central Powers and in behalf of British and French imperialist forces that flooded the United States from its source in Belgium and increased in volume in direct proportion to the increasing investments of the House of Morgan on the side of the Allies.

HIS PART IN THE IMPERIALIST WAR

A few months after the United States entered the war to defend the investments of the House of Morgan, Mr. Hoover was brought to his native shores and appointed food administrator, in which capacity he served from June, 1917, to July, 1919. In order to concentrate the food distribution under one head, the government, striving to attain that high degree of centralization and efficiency necessary to enable it to prosecute its imperialist war, organized the United States Grain Corporation and the Sugar Equalization Board and made Hoover chairman of both of them. From this he advanced to a member of the interallied food council, the food section of the Supreme Economic Council, which endeavored to coordinate the food supplies and the whole economic life of the allied nations in order to assure effective administration of the "second line trenches." Still later Hoover was selected as a member of the European Coal Council.

The Supreme Economic Council played a role in the world war second only to the armies themselves and, in the last analysis, the success of a nation's armed forces depends upon a high degree of industrial efficiency. But this council of which Hoover was one of the outstanding members also waged campaigns to starve whole populations of the smaller nations into submission to the demands of his imperialist masters. Hoover first learned the use of starvation methods to attain political ends from his European associates. Afterwards his own crimes surpassed even their perfidy. He who had been taught became the teacher.

His opportunity to show what he could really do to serve imperialist frightfulness came during the armistice when he was made director of a whole series of economic measures, including organizer of food supplies to Poland, Czechoslovakia, Roumania, Austria, Hungary and the Baltic states. It was while in charge of this alleged humane work, in 1919, that Hoover used his position as chief of food supplies to endeavor to starve the workers and peasants

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

government—the Bolshevik government—of Hungary, and also to withhold food supplies from other nations until they agreed to wage war against the Hungarian revolution. For years thereafter Hoover, who inflicted starvation upon whole populations, boasted of his part in destroying the government of the workers and peasants of Hungary and aiding the tyrant, Horthy, to establish his white terror upon the soil drenched with the blood of the flower of the working class.

HOOVER'S POLITICS

During this period of his career Hoover did not know whether he was a Republican or a Democrat. He served imperialism and had no prejudices as far as political parties were concerned so long as they were used against the working class. It was only during the summer of 1920 that his political affiliations were settled. So long as the Democratic Party of Woodrow Wilson was in control of the imperialist government, Hoover was generally regarded as a Democrat and did nothing to dispel that general opinion as to his political affiliations. It was not until the campaign of 1920 had progressed so far that it was evident that the Wilson administration was doomed to defeat that Hoover proclaimed himself a Republican.

Warren G. Harding, when inaugurated president of the United States in March, 1921, announced as his Secretary of Commerce this same Hoover, who with Andrew W. Mellon, as Secretary of the Treasury, represented the most conscious agents of finance capital and the big industrialists in that cabinet. As a servant of imperialism Hoover gave a good account of himself from the moment he took up his new duties. Six months after he entered the cabinet he was made chairman of the "President's Unemployment Conference." (Sept. 20, 1921). Like all similar conferences the Harding-Hoover affair was a dismal fraud. Nothing was done to relieve unemployment—the 6,000,000 unemployed workers stood on breadlines or tramped the highways and byways of the country while Hoover and his associates issued publicity to the effect that unemployment was a heritage from the world war. Instead of taking steps to relieve the suffering of the unemployed workers and their families, the Hoover conference, as its final act, appointed a committee "to study unemployment conditions and business cycles and to recommend plans for stabilizing industry." The chairman of this new committee was Owen D. Young, chairman of the board of the notorious anti-labor, scabby General Electric Company, who later, as an agent of the Morgan banking house formulated the Dawes Plan for Germany. The secretary of the committee was Edward Eyre Hunt, an economist of Hoover's commerce department, who devotes his time these days to falsifying statistics to

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

perpetuate the myth of "Coolidge prosperity." Joseph H. Defrees of the United States Chamber of Commerce was another member of the committee; Mary Van Kleeck of the Russell Sage Foundation, herself an adept at distorting statistics in order to maintain capitalist illusions, was the only woman member. Clarence M. Woolley, president of the American Radiator company was the fifth member, while the fawning lackey of imperialism and malignant enemy of the working class, Matt Woll, now acting president of the National Civic Federation, and at the same time vice-president of the American Federation of Labor completed this committee. As was to be expected, nothing whatsoever was done toward an analysis of the unemployment situation, but Hoover got world-wide publicity as an administrator who could rally around himself the leading figures of all walks of life.

In November of 1921, two months after the unemployment conference, Hoover became a member of the advisory committee to the Washington Limitation of Naval Arms Conference, where his knowledge of European conditions enabled him to contribute to the discussion of debt settlements. It was Hoover who declared that an armament vacation should be taken so that money ordinarily spent for big navies could be used to pay war debts.

In his career in the Cabinet Hoover has shown considerable political acumen. He has never committed himself upon controversial questions, such as the World Court, the League of Nations, prohibition, etc. No one knows where he stands on such questions because of any utterance of his. But, as one of the outstanding servants of imperialism there can be no doubt regarding his attitude toward such questions. He is not only for the World Court, but favors the United States entering the League of Nations in the hope eventually of dominating it, or at least of gaining certain advantages that will be useful in the next open conflict between the imperialist powers for further redivision of the world.

HOOVER AND THE MISSISSIPPI FLOOD

There is one more "achievement" of Hoover that is much heralded in the reptile press—his activities in the disastrous Mississippi flood of last year. Countless thousands of square miles were inundated and the inhabitants compelled to flee the raging waters because the government that is supposed to guard against such catastrophes did not strengthen the dikes or furnish spill-ways for control of the floods.

Close upon the heels of the disastrous flood came a second calamity —Herbert Hoover, the very personification of all that is worst in imperialistic America. His experiences during the war years had

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

taught him how to capitalize calamity. Like a foul buzzard he preys upon disaster. The flood gave him another opportunity to display his talents. The Coolidge government assured us his mission to Louisiana was one of mercy. But it soon became evident that Hoover was still Hoover, that he was not there to relieve suffering, but to take advantage of the pitiful plight of the victims of the flood in order to bind the whole population to the New Orleans bankers, the loan mongers and mortgage brokers. Instead of government aid, which would partly compensate the farmers for the criminal neglect of the government and congressmen who grafted millions by pretending to build adequate safeguards for floods, Hoover told the farmers they could obtain long-term loans from the bankers. In this as in all other spheres of his activity Hoover proved himself an accomplished servant of capitalism. And his action in the Mississippi flood was perfectly logical—from the capitalist standpoint: The government does not exist to aid the workers and farmers, but to enable the ruling class to enslave them.

Thus, Herbert Hoover, outstanding candidate for the presidential nomination on the Republican ticket, qualifies as an able defender of imperialism. He is in many respects the ideal candidate of his class at this particular moment in the world's history. European "stabilization" and "rationalization" with the aid of Wall Street capital has approached the point where it seriously affects American industry. The search for new markets, for new places of investment of the enormous surplus that pours as a veritable Niagara into the United States, impels American imperialism to ever more aggressive forms; tremendously increases the antagonisms between the great powers of the world and brings nearer the day when the diplomacy of nations will no longer suffice as the field in which to struggle for supremacy, but will give way to the imperialist legions as they again rock the earth in a world war.

WHAT HOOVER'S ELECTION WOULD MEAN

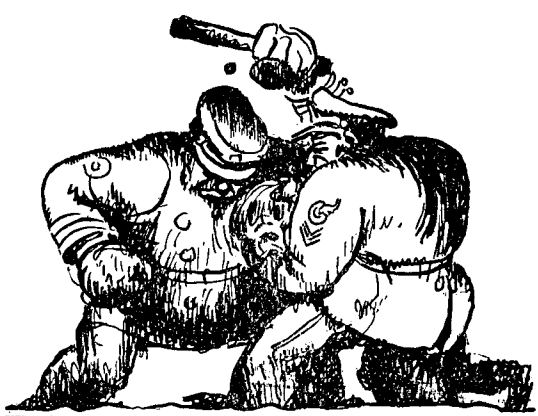
In such a period the ruling class requires just such a person as Hoover. The election of Hoover in 1928 means that for the next four years there will head the government an unscrupulous adept at utilizing misery and devastation for imperialist purposes. There is no infamous act he has not been guilty of against defenseless people. As an agent of Wall Street in Europe he turned the agony of the populations of the devastated countries into profits. He distributed food to populations only on condition that they become subservient to American imperialism. He used his office as agent of the Wilson administration to place the yoke of slavery upon whole populations in exchange for a crust of bread. He actively aided the monster,

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Horthy, conduct a policy of extermination against the working class. His hands dripping with the blood of the European workers, he entered the Harding-Denby-Fall-Coolidge Teapot Dome cabinet and participated in the "revelry" of that administration, but when the scandals broke he had so concealed his actions that he remained in the cabinet while the ordinary politicians walked the plank.

Hoover as an individual is important only because he represents certain definite class tendencies. The fact that such a person stands forth as the most prominent candidate for President of the United States should be a grave warning to the working class of what is in store for the exploited masses in the immediate future.

The menace of Hooverism cannot be combatted by supporting the utterly stupid, insipid programs of the so-called progressives in the United States Senate, or the candidates of the Democratic Party, who are bound to be hand-picked agents of Wall Street. The most effective weapon now available against the shameful swindles of the political agents of imperialism is a Labor Party that will be able to rally to its support the exploited farmers who have faced mass bankruptcy under Coolidge prosperity. The industrial paralysis gradually creeping over the country, combined with the agricultural depression which causes wholesale impoverishment of the farmers, dramatizes the common political interests of these two great bodies of labor—the workers and the farmers—and will give new impetus to the movement for class political action against the parties of Wall Street.



The Right to Strike

Next Issue: "Al Smith and the New Tammany Hall," by William W. Weinstone. Watch for it.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Present Economic Situation

By Jay Lovestone

Last March, the economic experts of the leading newspapers and the Department of Commerce were busy denouncing those who saw that the United States was heading towards a sharp economic depression. Today, these same economists are busy in an effort to perform a two-fold task. First of all, they are trying to prove that there was a recession beginning last March, but that this recession is now all over. Secondly, America is on the eve of a great prosperity. 1928 will be a banner economic year. So say these "experts."

Coolidge's declaration on brokers' loans was an effort in the above direction. It had a very temporary stimulating effect on the stock market. The statement of Mr. E. H. H. Simmons, head of the New York Stock Exchange, to the effect that we are about to have the greatest prosperity this country has seen, is an effort of a similar character.

Both of these statements are violation of precedent for men of such office. But when in a tight corner, precedents do not count with ruling classes. The fundamental facts of American economy give the lie to all the trumpeteers of American prosperity.

SOME SIGNIFICANT TRENDS

It is true that the general trend of American capitalism is still basically upward. But there has been a deep-going change in the immediate economic situation since last spring. Last May marked the beginning of the period of sharpening recession, which has not yet reached its lowest level. Today we have not only a sharp decline in industry and not only a definite passing of the peak of prosperity of the present cycle, but we are in the throes of the development of basic forces fundamentally undermining American economy to such an extent as to make the immediate economic situation anything but bright for the great mass of workers and exploited farmers.

Recently, Owen D. Young, reputed to be the real father of the Dawes Plan and head of the General Electric Company, told at Harvard University that "The greatest blot on our capitalistic system" is unemployment.

Roughly speaking, there are now about three million unemployed workers. The wealthiest state in the union, New York, in its

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

latest figures, indicates a drop to a point lower than December, 1921. For the country as a whole, the level of employment in November, was six percent lower than that of the corresponding period of the preceding year and almost fifteen percent lower than the corresponding month of 1923. It is especially important to note that the sharpest decline was in such basic industries as iron and steel (10.9 percent), electrical apparatus (9 percent) and in the railroad shops there has been a reduction of nearly 115,000 workers since September, 1923. On train and engine service, there has been a reduction of 21,848.

Bourgeois statistics are especially drab for the workers, but the prevailing unemployment presents an even drearier picture than the official pictures. No less than 90,000 are jobless in Cleveland. Boston's unemployment is at its highest point since 1914-15. Chicago's bread lines are much longer than at any time since 1913. In New York, the municipal lodging houses are having a banner season—more crowded than ever before. Los Angeles boasts of 70,000 jobless workers.

At the same time, the wage totals have been falling swiftly. In iron and steel, 15 percent; in automobile and railroad rolling stock, more than 10 percent. Miscellaneous industries, more than 10 percent. In metal products, other than iron and steel, more than 11 percent.

Wage cuts have come en masse in the bituminous fields, in the automobile industry, in the textile and shoe centers.

Even the prosperous building industry shows a drop, for the first time since the war, of .5 percent. New York, which is the center of building operations in the country, whose construction work equals the total of the next nine cities in size, suffered a particularly heavy decline (10 percent).

1927 factory sales of automobiles dropped to the lowest total in five years. Even in the highly developed insurance field, new business declined last year. The much-advertised group insurance so often hailed by the bourgeoisie as a stabilizer of peaceful relations in industry fell more than 21 percent last year.

For the first time in six years, the net operating income of railways fell. for the last quarter, the net operating income of the leading Class One roads fell by over 30 percent.

The coal and oil industries have been in an acute condition for some time. Their condition has only been aggravated last year through huge waste, faulty organization and "over-production."

Much capital has been made by the official economic experts of the fact that the total crop values have increased by about $600,-

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

000,000 in 1927 over 1926. An examination of these figures shows their misleading character and the treachery of their dispensers. If the total values of crop and animal products for the two fiscal years are compared one will find that 1927 shows a decline of about $600,000,000. Besides, even the crop values of 1927 are smaller than 1925 and 24, which were not extraordinarily good years for the farmers. Even for the farmers getting an income largely through crops, the distribution is uneven. The wheat, potato, hay and principal fruit farmers received last year less than the preceding year.

Chain stores and public utilities did well last year. Their high concentration and the tremendous extent of rationalization in these fields are primarily responsible for their prosperity.

On the whole, the stock market had a good year. But finance capital is no longer an accurate index of the conditions in capitalist economy. Bank profits were very large in 1927. Industrial corporate profits declined by at least 8 percent last year while banking suspensions were fewer by over 35 percent in 1927. Failures in other fields tell a different and a sadder story. Commercial failures increased for the fourth successive year to the number of 23,146, or the second largest in the history of the country. In the last fiscal year, the total bankruptcy cases were over 48,000 with total liabilities of nearly $900,000,000—an increase of half a billion dollars. Six thousand of these were farmers; twelve thousand were merchants.

THE BASIC PROBLEM BEFORE US

Mass production, efficiency, improved technique, scientific management, waste elimination, standardization, have been named by the bourgeoisie economic experts as the causes of American prosperity at its height. All of these phenomena have advanced in the last ten months, yet American economy has witnessed a considerable decline which has been increasing in acuteness. The cause for prosperity has not been removed in the eyes of the bourgeois experts. What, then, has brought on the depression? The answer to this question can be found in an examination of the basic factors of American economy, especially as manifested in the recent period.

1. THE AUTOMOBILE AND CONSTRUCTION INDUSTRIES

The automobile and construction industries have been the two main props of American domestic prosperity. The automobile industry is a gigantic industry employing nearly four million people and using 15 percent of all the iron and steel and 80 percent of all the gasolene produced in the country. The deep-going effects

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of a decline or an advance in the automobile industry are obvious. Therefore the adverse effects of the sharp decline in the automobile industry were of paramount importance in 1927.

The automobile market is saturated. It has been kept up largely through wide-spread extension of easy buying terms—extensive installment buying. Today much noise is being made about the increased auto production as a factor for prosperity in 1928. This is superficial reasoning and unwaranted deduction. The automobile market is extremely competitive despite the generally high concentration of the industry. General Motors now controls 46 percent of all motor vehicle sales. It is engaged in a war to the finish with Ford. Such intense competition is an additional factor, besides rationalization, for cheapening the cost of cars. This means that the automobile capitalists will institute sharp wage-cuts, intensive speed-up, increased exploitation in order to maintain profits. In many Detroit factories, wages have been cut within the last month by 30 percent. The much-vaunted boom year predicted for autos is bringing a bad year for the millions of workers in the automobile industry.

1. THE AUTOMOBILE AND CONSTRUCTION INDUSTRIES

The building industry is likewise saturated. The war shortage is over. Forty percent of the 300 leadings cities indicate less activity than in the preceding year. Many cities show over-building. There is a huge surplus of capital seeking real estate mortgage loans. The principal building experts frankly admit that "we have not had so dangerous a situation in the building business in fifteen years as we are entering upon now." There is an increasing surplus of workers. There is a growing number of wage-cuts, even in this industry which has boasted of a high wage in recent years.

2. THE CREDIT SURPLUS

The surplus of credit is in itself a source of great danger to American economy. Every financial and industrial crisis in the United States has been preceded by a huge surplus of credit, leading to dangerous speculation. The mere existence of "easy money" "in the Street" (Wall Street) does not spell prosperity. 1927 had "easy money," but no prosperity. The Federal Reserve Banks of the Chicago, New York, and Richmond districts have already advanced the rediscount rate for the first time since August, 1926, in order to tighten money, to check speculation and to avoid financial difficulties. Last year, surplus credits caused an increase of over a billion dollars (35 per cent) in brokers' (speculative) loans. Simultaneously, commercial and general loans of private banks in the

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Federal Reserve system fell. Brokers' loans continued to rise. Production and commerce are now demanding less, while the financial (speculative) markets are demanding more. That is why the American Institute of Finance recently declared: "This increase is a danger signal of the first magnitude and must not and cannot be ignored by any individual."

Such a tremendous expansion of brokers' loans are not necessarily in themselves dangerous when credit conditions are sound. Here, four new factors are operating to make the credit situation a source of danger for such huge brokers' loans today. These are:

1. The United States is today losing and not gaining gold.

2. The economic decline has been the primary reason for credit flowing most abnormally into the stock market and away from production.

3. Unquestionably, America's credit position is still strong, but the trend of credit extension has been marked in loans "the collateral for which could not be eligible for rediscounting." Secondly, even if a business revival should come, its very occurrence, with its new demand for credits, would precipitate a big liquidation of securities and thus bring on big financial losses. The stock market's buoyancy has not been due to an upward swing in production, but primarily to "cheap money," to a surplus of bank capital.

3. THE EXPORT OF GOLD

For the first time since 1919, the United States has become an exporter of gold. The last quarter of 1927 was especially marked in this respect. The general policy of the Federal Reserve Bank has been, up to recently, to keep money rates low in America, so that sufficient funds will move abroad for the purpose of helping European capitalist stabilization through extending and maintaining the gold standard and thus also to stimulate American exports through strengthening the foreign exchange.

We need not exaggerate the immediate possibilities of the present heavy export of gold. The United States still has on hand at least a billion dollars of gold, which have not yet served as a vehicle for credit expansion. A goodly portion of this can be exported without any immediate basic effect on the money market. In 1927, America's gold stock was reduced by over $150,000,000. The central banks of the leading European capitalist powers have, however, relatively less gold than they had a few years ago. Trade expansion resulting from partial stabilization has been increasing the credit requirements of European industry for the absorption of this metal.

The two primary reasons for the export of gold from the United States at this time are:

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

1. The plethora, the super-abundance of capital in the country.

2. Some of the European currencies have already arrived at a point making it profitable for American bankers to export gold. The export of gold will continue for some months. In order to bring the gold reserve of the central European banks even up to 40 per-cent of their note and deposit liabilities, they must be given at least a billion and a quarter more dollars of gold.

In this light, we can understand the following internationally significant declaration of Secretary of the Treasury Mellon, made on December 7, 1927: "The present transitional stage through which the nations are passing in their progress toward the return to a gold basis has placed peculiar responsibility on the United States as the custodian of nearly half of the world's monetary gold. . . . *The huge movement of gold . . . would, in the absence of offsetting influences, have created serious disturbances in the credit conditions of this country.* (Our emphasis.)

In order to avoid the continued, rapidly increasing speculation growing out of the super-abundance of credit, the Federal Reserve Bank is trying to tighten the money rates through an increase of the rediscount rate. A general advance in interest rates and a "hardening of money" are on the way. This is bound to bring a decline in the stock market, which will tend to disrupt business.

But America, with all its tremendous gold reserve, is in a difficult position. Because of the tremendous inflation prevailing in the United States, individual bank deposits have risen 25 percent since 1923. Thus the actual ratio of reserve money in and out of the banks is much smaller than most people think it is. It is authoritatively said to be about 8 per cent. This explains why the American authorities, testifying before the India Currency Commission in London in 1926, emphasized that America could not afford to export gold.

Here we have before us a contradiction which is insoluble for the capitalists. Give them a surplus of gold and they face the danger of price inflation. Bring about an insufficient gold reserve and the countries based on the gold standard face high money rates, consequent increased business failures, wage cuts, unemployment en masse. The present export of gold has in it elements of undermining the pinnings of the structure of American capitalist economy.

4. INSTALLMENT BUYING

The system of extensive installment buying has served as one of the most effective methods of prolonging the prosperity in the United States. This plan of extending credit on a large scale to many social layers has been a sort of oxygen-inhaler for the bour-

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

geoisie. Today's annual installment bill is over six and a half billion dollars. Installment selling is basically an extension of commercial loans with at least one fundamental difference. In commercial loans, there is almost always tangible property collateral; in the case of installment buying there is almost always no real collateral except future wages or salaries.

Any further material expansion of installment credit will only intensify the contradictions of American economy. It may artificially enlarge the workers' purchasing power today, but it certainly mortgages their purchasing power of tomorrow, even at its lowest point. The very system of installment buying now serving as a stimulant to prosperity will thus become a force deepening the economic crisis when the industrial depression becomes somewhat more acute. Last year, the Morris Plan loaned a billion dollars—largely to workers. Payment of this billion dollars and the billions secured through installment purchases must be made at the expense of the food and necessities which the workers must have tomorrow. These bills may not be paid during the crash in industry and finance. But this will not help the workers. And the effect on industry will be disastrous. It can be safely said that installment buying has already passed its greatest effectiveness as a force for artificially prolonging prosperity, though it will continue of such service for some time.

5. FOREIGN TRADE

America is becoming increasingly a country dependent on exports. American exports are becoming dominantly of manufactured products. The total export of agricultural products from the United States is steadily declining.

The maintenance of American exports is basic for the prosperity of the country, especially of those industries which have been so much expanded because of the positions seized by American imperialism in the international market during the last war. These exporting industries have secured tremendous credit in order to facilitate their holding these markets. Should these exporting industries be undermined, then there would be an additional force making for a crisis. This crisis would not be limited to these industries proper, for credit would be rudely shocked and pushed headlong toward a breakdown because of its volume involved. The effect on other industries is clear.

Last November and December, the United States sold less to Europe than it did in the corresponding months of 1926. Simultaneously, Europe increased its export of commodities to the U. S.

A more thorough examination of the trends of export are very instructive. In the last fiscal year, the export of food stuffs de-

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

clined 23 per cent, as against the period 1910-1914, while simultaneously the export of finished manufactured products increased 63 per cent above the average of the period 1910-1914. Obviously, the increase of such American exports has been much greater to those parts of the world which are less industrially developed than Europe. This means further that the United States is now entering upon a period of increasing competition with the more stabilized European capitalist competitors not only in their own domestic markets but especially through increased competing capacity in the Oriental markets. That is why Director Julius Klein of the United States Bureau of Foreign and Domestic Commerce told the following to the Seattle Chamber of Commerce on November 10, 1927:

> *"Competition in all of the trade areas of the Far East has been keen in the past, and will be even keener in the future. . . The time is coming when we will have a real struggle on our hands if the present rate of progress is to continue."*

In South America, for example, the American capitalists are today selling annually one hundred million dollars worth of commodities above the combined sales of England, France and Germany. Here we have markets captured by Yankee imperialists while the leading European bourgeoisie were on their backs. Two-thirds of American exports to South America are manufactured goods. There are multiplying signs of intensified competition for American imperialism in Latin America. Hence the Havana Conference is as much a maneuvre of the United States against the imperialist powers of Europe as a move against the colonial and semi-colonial peoples of Central and South America.

6. THE DAWES PLAN REPARATIONS

Next autumn the international bourgeoisie will confront one of the basic economic contradictions engendered by the last imperialist war. The question of the payment and transfer of reparation levies by Germany is now coming to the front. The German bourgeoisie are protesting against Germany's becoming a dependency of the United States. Germany is groaning under the burdens of the Dawes Plan. The victorious French and British imperialists are not longing for the day when huge reparations payments will be made to them. The worst is yet to come. The maximum payments under the Dawes Plan are yet to begin. Today, even before the maximum annual payment of a billion and a quarter gold marks has been reached Germany has been enabled to meet the reparations bill primarily through importing hundreds of billions of dollars of capital from the United States. America now has invested in Germany at least two billion dollars. With the repara-

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tions payments, there is inextricably bound up the question of priority of war damage payments over these billions of private loans. This is a fundamental antagonism in international finance and industry which will be sharply reflected in the United States.

In the last resort, the payments of private debts and reparations must be made in exported commodities. Supposing there are transferred huge sums of money in payment of these debts. Such transfers in capitalist economy serve as additional forces making for lowering of prices in the debtor countries. This means reduced wages for the workers in the debtor countries. It also means a consequent slackening of production in the creditor countries importing these commodities directly or indirectly in payment of their debts and also an increase of prices in the creditor countries operating on a gold basis as a result of their receiving huge sums of gold. This brings about a further undermining of American industrial supremacy. It inevitably hastens the lowering of the American workers' standard of living. A slackening of production means unemployment, wage-cuts and lengthened hours. These translate themselves into less food, cheaper clothes, less comforts and more suffering. The debt-paying countries must economize in imports. In the case of Germany, for instance, such economy would bring substantial forces making for a decline in the prosperity of the American copper and cotton markets.

7. WHAT RATIONALIZATION MEANS TO THE WORKERS

America has witnessed a tremendous advance in rationalization of its industries. This has often been called the second industrial revolution in the United States. In order to understand the effect of rationalization on the working class, we must analyze the process in its various stages.

In the first stage, mass production and efficiency may tend and in the United States have tended to increase the number of workers employed and in certain instances even to raise their standards of living. In the second and present stage of the rationalization process, as applied by the capitalists, there is a very opposite effect on the workers—a degrading effect. Today, rationalization spells reduced employment, lengthened hours of labor, slashed wages. In 1926, the manufacturing industries produced two and a half billion dollars worth more of commodities than in 1923, with four hundred thousand less workers. Since 1919, the decline in the number of workers employed in the manufacturing industries has been 7 per cent. The volume of production and the value of production have at the same time increased tremendously. It has been authoritatively estimated that there are over two million workers once

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

employed in manufacture, agriculture or railroad transportation whose industrial whereabouts are unknown. In some instances these workers may have gone into the luxury-producing industries and the recently developed huge distributive industries. But in order to maintain their profits the American capitalists are now forced to introduce intensive rationalization methods even in their distributive processes. That is why all sorts of efficiency schemes are now being resorted to in the field of distribution. Witness the tremendous growth of chain stores and the developing signs of a combination of the chain store and mail order house systems. Consequently, the rationalization of the distributive processes will throw out of work at least several hundred thousand working men who have recently entered these fields after being practically *disemployed* in the productive processes.

Lt. Ethelbert Stewart, Chief of the Bureau of Labor Statistics, Department of Labor, give us a picture of the effects of this rationalization for the workers:

> "The production per man per hour is tremendously on the increase. If the difference between man-power and the manufacturing industries was 400,000 between 1923 and 1925, with the increase in production something over three billion, it is safe to say that with an increase of probably three billion dollars more in 1926 and two billion dollars more in 1927, the number of men employed has been reduced by 10 per cent.
>
> "The question which everybody was asking in 1927 was: How is the reduced employment going to buy the increased output? (Rationalization spells increased output.) 1927 did not answer the question, and let us hope it will be as successfully sidestepped in 1928. Goods were sold; installment buying is probably the answer.
>
> "There is no limit to installment buying. The trouble will come with installment collection. . . .
>
> "Installment buying is a makeshift. It can only be maintained by maintaining the fullest volume of employment at the highest rate of wages. Only human beings buy; horse power has no purchasing power. . ."

And Francis Jones, Director General of the Employment Service of the Department of Labor, has said: "Owing to the increased introduction of labor-saving machinery, considerable labor will be displaced." This is a bad New Year's prophecy for the workers.

It is obvious that even in the highly rationalized industries which have been the basic sources of American prosperity, the outlook for the workers is anything but bright. We are not now speaking of such "sick industries" as bituminous coal, oil, textile, shoe, which have been backward in their rationalization processes. We are not speaking of such industries as coal, which has been a sort of appendage industry to the railway and steel interests. In these indus-

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tries, even the artificial methods of installment buying cannot be applied effectively on a wide scale. Primarily, installment buying is an economic oxygen-inhaler which does not function well in the basic raw material industries.

Here we have a basic cause for contraction of the domestic market, which is 90 per cent of the whole American capitalist market.

8. THE TREND OF PRICES

The price trend is likewise assuming an unfavorable character for the workers. The development of mass production, with scientific management, waste elimination, personnel organization, etc., tends to make for a reduction of prices. It tends to make for a declining rate of profit but an increasing total profit because of large volume. But the surplus of credit, the super-abundance of bank capital, has a counter-effect on the trend of prices and makes for a rising of prices.

Given unemployment, lengthened hours, reduced wages and speed-up as well as worsened working conditions in industry and the way of prices for the workers tends to shift upward. Under the most intense form of rationalization, we now witness increasing indications pointing to a rise in prices growing largely out of the credit situation and the domination of monopoly capital in the United States. In recent months, wholesale prices in general have increased. Retail prices have followed. Wages, on the other hand, are declining; even in such prosperous industries as the building trades, we note multiplying signs of decline. This means in effect a still higher cost of living for the workers.

9. THE SITUATION IN AGRICULTURE

Most of the $635,000,000 of the crop value in 1927 over 1926 will go to the bankers for payment of old liabilities. But even if for the sake of argument we were to grant that the farmers got every cent of this money, it would mean only an increase of 2 per cent in the retail trade, which is a drop in the bucket. But this so-called prosperity crop of 1927 is priced at over a billion less than 1925 and one billion less than 1924.

The agricultural situation remains a basic force undermining prosperity in America. The "scissors" problem remains. The gap between the highly developed mass industries operating on a collective basis for capitalist profits and the still dominantly individual basis of operation prevailing in agriculture is not narrowing, despite marked efforts to increase rationalization processes in agricultural economy. This gap is the basic source of the farm crisis. Compared with the huge American industries, operating with very highly

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

organized technique, speed-up, scientific management, and mass production, agriculture in the United States is medieval. That explains the net decline of three million in the farm population in the last seven years. Supposing the rationalization process will be applied to agriculture. It will then only tend to increase this migration. Since 1914, the farmers' direct taxes have risen 150 per cent, to the point that they now consume fully one-third of his net income. More than four million of the less than six and a half million farmers are either tenants or heavily mortgaged.

American imports of food and raw material competing with the farmers products have increased 44 per cent since 1900. Simultaneously, the farmers' overhead expenses have risen three hundred per cent and their combined costs 180 per cent, while wholesale prices of their products have advanced only 125 per cent.

Today non-agricultural prices are still 52 per cent above the prewar level, while farm prices are only 40 per cent above.

In the so-called prosperous agricultural year of 1927, the number of forced sales and defaults of farms, due to delinquent taxes, foreclosures of mortgages, bankruptcies, reached 22.8 per thousand —the highest level on record. It is clear that the underlying causes for the critical condition of American agriculture remain. Hence American agriculture continues to be a force aggravating the economic difficulties ahead of us in the coming months.

1924 AND 1927 COMPARED

Is the present decline in industry merely a cyclical recession? Will a change for the better come soon?

There are two main differences between the recessions in industry in 1924 and in 1927. These differences are:

1. In 1924, European capitalist stabilization was in that stage—recovery stage—making for its increasing purchase of American commodities and the consequent hastening of the end of the period of depression then developing in American economy. Today, Europe is in a different stage of partial stabilization. Today, European capitalism can and does increasingly compete with American imperialism. Consequently, the partial stabilization of European capitalism today makes for a prolongation and deepening rather than for an ending of the recession in American economy.

2. American rationalization today, as has been pointed out, has different effects on the workers from those resulting during the first stage of rationalization in 1924.

In any other capitalist country of the world, the shrinkage of 13 per cent in railway traffic, of 30 per cent in railway net operating income to the lowest point for autumn in six years, a minimum

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

decrease of 16 per cent in steel production to the smallest in a similar period and a minimum decrease of 8 per cent in the net corporate profits and a decrease of 12 per cent in employment and a decline of 10 to 15 per cent in wage totals in the basic industries, would have brought a severe economic crisis. But American capitalism is still powerful. That is why it has been thus far able to avoid the dire consequences which would have visited European capitalist countries even in a less acute economic recession.

WHAT IS IN SIGHT?

At this time, it cannot be said that we are already on the eve of a deep-going economic crisis. In certain respects, however, the economic depression which we have with us, though today less acute, is more fundamental than the depression of 1921, which was basically a depression engendered by the readjustment of American economy from its war basis. We can say definitely now that the bottom of the present depression has not yet been reached. Wage cuts, speedup, lengthened hours, worsened working conditions, unemployment, all resulting from the so-called normal operation of capitalist economy, will be augmented by hundreds of thousands of additional unemployed workers because of the increasing rationalization in American industry which is compelled to resort ever-more to such processes in order to meet the sharpening competition from the other imperialist powers.

The two basic changes in the economic structure of American imperialism within the last five years made so clear in 1927 are:

1. Increasing capacities of other imperialist powers to compete with American imperialism in the international market.
2. The increasing limitations of the domestic market, the multiplying contradictions within this domestic market, which has been one of the tremendous advantages equipping American imperialism for success in its conflicts with other imperialist powers.

In examining the economic prospects for the United States, we must not lose sight of the tremendous reserve powers still at hand. These are of 5 main types:

1. Intensified exploitation of and increased export of capital to the Latin American hinterland and the Pacific Islands.
2. Intensive industrialization of the South, making for an increasing volume of employment and increased utilization of capital.
3. Still further rationalization of production and distribution.
4. The increase of electrification and use of electric power.
5. Special artificial methods of directing, controlling and stimulating trade and finance along the lines of the services rendered by the Federal Reserve Bank. Such services may be and usually are

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

only temporary in their effect, but when they come in a series over a period of time, they are not to be discounted lightly.

THE BASIC CONTRADICTIONS OF AMERICAN ECONOMY

No one can have an adequate understanding of the developments and potentialities of American imperialism unless he fully grasps the basic contradictions in American capitalism tending to undermine it. Let us merely enumerate these contradictions.

1. The United States has a large excess productive capacity as indicated in the over-development of certain industries.

2. There is a fundamentally critical condition of agriculture.

3. The super-abundance of credit literally threatening to choke industry now and then. That is why some bankers speak of a huge export of gold as a "desirable calamity."

4. Intensive installment buying, which really should be called over-buying or over-selling, has been serving as the basis of prosperity. For a time such a mortgaging of future purchasing power of the workers and exploited farmers may defer an economic depression. Sooner rather than later, it will become an aggravating force in an economic crisis.

5. Due to insufficient rationalization in some instances and in some instances to the conditions of the world market, and in still other instances to being appendage industries like coal, there is to be found a deep-going derangement in certain basic fields of production in the United States.

6. The rapid development of great international cartels in Europe indicates a growing capacity of other imperialist powers not only to challenge but even to undermine the supremacy of American imperialism in the world market today.

7. American capitalism is depending on other imperialist powers for such basic materials as rubber, oil, nitrates, tin, nickel, etc.

8. The increasing export of capital creates for American imperialism a crucial problem in the final repayment in commodities. This soon puts sharply in the foreground the problem of decreasing the tariff rates of the United States. Lowering the tariff barriers is an unavoidable prerequisite for making possible the collection of its debts. This soon means increasing competitive capacities of the debtor against the creditor, American capitalism, not only in the world market but in the hitherto unlimited domestic markets.

THE SHARPENING ANTAGONISMS

Thus the very contradictions of American capitalism, as well as its tremendous powers, are making for an aggressive policy by American imperialism—the driving for new markets for its sur-

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

plus capital, for its commodities, for new sources of raw material, for its gigantic industries. This explains the sharpening offensive of American imperialism against Nicaragua, Mexico, Latin America. This is the basis of its war policy against the genuine revolutionary forces in China. This explains the growing, acute antagonism towards Great Britain and the increasingly forceful attitude towards Europe. Here really is the crux of the refusal of the American government to recognize the Soviet Union.

In this aggression of American imperialism lies the explanation for the increasing militarism and navalism, for the headlong rush American imperialism is making towards its being a most active participant in the coming world war.

Let no one in appraising the role of American imperialism overestimate the strength of capitalist economy in the United States. There are forces gnawing at its very vitals, despite all outward superficial signs of invincibility. Above all, national capitalism is now in its last stage, the decadent stage of capitalism. American capitalism is more and more being involved and becoming an integral part of international capitalism, now facing its basic crisis. This basic crisis is brought into bold relief by the existence and victory of the Soviet Union.

Free Assemblage

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Capitalist Efficiency "Socialism"

By Wm. Z. Foster

EFFICIENCY AND MASS PRODUCTION

WITH the rise of American imperialism, which is accompanied by an ever-swifter concentration of capital and consolidation of industry, especially since the period of the world war, there has developed in the United States a far-reaching movement for greater efficiency in industry, for cheaper, standardized, mass production. This movement of "scientific management" or "rationalization," aiming to facilitate capitalist exploitation of the home markets as well as to enable more effective competition abroad, has also developed in all other countries of considerable industrial development. But in no country has it reached the extent and produced such deep-going consequences as in the United States. Here a veritable orgy of production has developed. Never in the history of the world was there such a rapid improvement of industrial processes, such a radical transformation of machine equipment as in the United States within the past ten years.

The productivity of American industrial workers is increasing by leaps and bounds. In 1925 automobile workers produced on an average three times as much per man as in 1914. Herbert Hoover in New York, March, 1926, stated: "While we have increased our population 16 or 17 per cent in a dozen years we have swelled the productivity of the nation by something like 35 per cent." The Department of Labor Year Book says that between 1899 and 1923 there was an average increase in output of roughly 47 per cent per worker, 20 per cent of which took place from 1919 to 1923. In 1925 industrial production exceeded 1923 by five per cent although the total number of workers employed was two per cent less. Figures for 1926-27 will show similar rapid increases in productivity. Clague, of the Monthly Review of Labor Statistics, U. S. Department of Labor, July 1, 1926, gives the following table to indicate the production percentages of workers in various industries in 1925, as compared with 1914:

Steel Works and Rolling Mills	153
Automobile Manufacturing	310
Boot and Shoe Manufacturing	116.5
Paper and Pulp Making	125.7

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Cement Making	157.8
Leather Working	128.2
Flour Milling	139
Cane Sugar Refining	127.3
Petroleum Refining	177.3
Slaughtering and Meat Packing	110.7
Rubber Tire Making	311

THE "CONSENT" OF THE WORKERS

In carrying through this gigantic campaign of increasing productivity it is not enough that the capitalist engineers work out improved methods of production in the shape of new machinery, speed-up systems, etc. It is also a major consideration for the capitalists to have the workers accept these innovations freely and apply them fully in "co-operation" with the employers. Instinctively and intelligently the workers tend to react against the whole speed-up, efficiency program of the industrial engineers, sometimes with strikes, sometimes with passive resistance. To liquidate this opposition, or as the engineers' jargon has it, "to secure the consent" of the workers, becomes a basic necessity for the maximum success of the employers' mass production plans.

To "get the consent" of the workers to the intensified exploitation involved in the "efficiency" program the employers follow along two main lines of procedure: (1) applications of force, (2) methods of cajolery and bribery. The first of these methods is of fundamental importance; but here we will deal with it only in a general way, taking up certain aspects of it further along. The force program of the employers is relatively well understood: with their policy of enforcing the whole speed-up movement by the discharging and blacklisting of workers who object to it, the smashing of trade unions (assisted by all the government arms of repression) that stand in the way of it, the use of the lockout and the spy system, the institution of piece-work and bonus systems under which the workers are driven ever faster by systematic wage cuts, the dragooning of the workers into the speed-up with the assistance of venal and reactionary union officers, etc., etc. Here our chief attention is directed more to the methods of cajolery and bribery (which also have a force program close behind them) by which the employers, through the instrumentality of their economists and engineers, try to convince the workers that they have no interest in class struggle and revolutionary aims, but that they have a direct interest in accepting and putting whole-heartedly into effect the industrial efficiency program of the employers. It is especially of these latter newer methods, which are highly destructive to working-class organization and ideology, that we have need of understanding.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CAPITALIST EFFICIENCY "SOCIALISM"

To lure and squeeze the workers into the mass production speed-up programs of modern industry, the employers, principally through the instrumentality of their efficiency experts and economists, have devised and are applying a vast system of social reformism among their workers. It is widely comprehensive. It not only pretends to provide remedies for the everyday grievances of the workers, but also in many instances puts forth varied and curious proposals for the "abolition" of capitalism and the "emancipation" of the workers. In short, it is a bastard brand of Socialism. It is capitalist efficiency engineering "socialism," industrial efficiency "socialism," "company socialism," or perhaps more properly, capitalist efficiency "socialism."

The immediate program of capitalist efficiency "socialism" is extensive. Its proponents and organizers, capitalist engineers and economists advocate and put into effect, in the name of increased industrial efficiency, many "reforms" touching diverse phases of the worker's life. Thus often (but not always) they advocate shorter hours, the Ford five-day week being the outstanding example. They put forth the lure of higher wages in return for more production, and (although usually their high wage talk is mostly propaganda) they corrupt not only considerable sections of skilled workers but also in some instances semi-skilled workers with relatively higher wages in return for vastly increased output. Working conditions in the factories they modify with improved sanitary conditions and safety arrangements. They establish a pretended "industrial democracy" through their company unions or company-unionized trade unions. They are developing rudiments of insurance for unemployment, sickness, accidents, etc., on a group basis in many industries. They have "educational" programs on a wide scale, vocational as well as general. They have profit-sharing and employee stock-buying plans. Their "welfare" schemes, touching many angles of the worker's life in home and shop, are multitudinous and widespread. All the higher developed industries have more or less of this general program of "improving" the lot of the workers in return for the latter's acceptance of the employers' speed-up, mass production policies.

But capitalist efficiency "socialism," through many of its outstanding advocates, goes beyond these immediate ameliorative reforms. It proceeds far with existing tendencies and practices. It holds forth to the workers bizarre theories of the eventual liquidation of capitalism. Capitalist industrial efficiency literature is peppered with such conceptions. It is they primarily that give the movement the character of a pseudo-socialism. In general such theories

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

foresee the gradual improvement of capitalism, the strengthening of its weak spots technically and socially, until it ripens off into a sort of "socialism" in which "all workers shall be owners and all owners workers." Thus Professor Tugwell of Columbia University, in his new book, "Industry's Coming of Age," puts forth a perspective of a capitalism strengthening itself organizationally, becoming "socialized" monopolies while still privately owned, with a deepening tendency for the private ownership feature to atrophy until finally it dies altogether or is painlessly removed. Professor Carver of Harvard, in his book, "The Present Economic Revolution in the United States," looks forward to the workers buying their way out of present day capitalism by purchasing stock in various capitalist enterprises and becoming capitalists themselves. Most of the economists and engineers who write along these lines foresee a more or less steady improvement in capitalist organization and the living standards and industrial control of the workers until finally the process culminates in the vaguely imagined socialism. But Thorstein Veblen has a pessimistic streak amid all the glowing optimism of these capitalistic engineers. In his book, "The Engineers and the Price System," he expects capitalism to collapse of its own weight, in spite of all efforts to save it, whereupon the efficiency engineers, the "only revolutionary element in society," will take the social helm and conduct industry minus the capitalists.

Capitalist efficiency "socialism" has as its aim to liquidate not only the everyday struggle of the workers to improve their living and working conditions, but also to wipe out the workers' larger revolutionary movement. It contends that no proletarian revolution is necessary and that the gradual evolution of capitalism offers the way for the maximum social development.

THE GROWTH OF CAPITALIST EFFICIENCY "SOCIALISM"

To the growth of the theory and practice of the new reformism, which we have called capitalist efficiency "socialism," a maze of engineers, economists, and capitalists have contributed. The whole movement is a sort of mosaic of which the small pieces going to make up the general pattern have been placed by many individuals. There has been no one writer who has seen the whole movement and generalized upon it. The concepts comprising it are in process of formation. Innumerable capitalist writers have written upon the subject, and the literature they have turned out is incredibly voluminous. It has dealt more or less, in each individual case, with some particular phase. The movement awaits a general summing up. It is our Party's task to make this.

The pioneer theoretician and organizer of the movement was

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Taylor, the famous efficiency expert. Taylor, in his book, "The Principles of Scientific Management," published in 1912, not only laid the foundation for the development of modern technique in industry, but also pointed out that it was necessary to "get the workers' consent" in order to make the new methods maximum effective. He opened the door theoretically for the development of capitalist efficiency "socialism." The later vast expansion of American imperialism gave American capitalists the power and impulse to put it into effect and furnished the groundwork for the various bizarre theories that developed with it.

After Taylor, and especially since 1917, came a whole series of engineers and economists, each of whom elaborated his mite towards the general picture. Chase, Polakoff, and various others who specialized and elaborated on waste in industry did much to prepare the theoretical base for the B. & O. Plan, and the new wage policy of the A. F. of L. Beyer, with his "union-management co-operation" scheme, proposed to co-operate with the employers to eliminate the waste that Chase and others had written about so sharply. A whole group of engineers and economists, with Mackenzie King at their head, theorized and established the company union movement. Whiting Williams in his book, "What's on the Worker's Mind," declared that the workers have no basic revolutionary ideas. What is the matter with them is that they have a network of relatively minor grievances about too long hours, insecurity of employment, bad working conditions, brutal foremen, etc. Remove these "irritations" and not only would their discontent and susceptibility to revolutionary propaganda disappear, but the employers would reap a harvest from their increased efficiency. He was one of the most important theoreticians in the company union-welfare movements. Veblen and Gantt, borrowing phrases from the Bolshevik revolution, sneered at the capitalist "absentee owners" and predicted the collapse of their system. Plumb was deeply influenced by their conceptions in his program for nationalization of the railroads and other basic industries. The Plumb plan was a far-reaching class collaboration speed-up scheme of capitalist "industrial democracy." Lauck, in his book, "Political and Industrial Democracy," also theorized capitalist "industrial Democracy." He proposed the amalgamation of the company union and trade union movements. The enthusiastic Professor Carver, theoretician of trade union capitalism and employee stock-buying, explained to the workers how with their savings they could buy out the great capitalist industries. Gillette, the safety razor magnate, in "The People's Corporation," painted a capitalist "socialist" utopia, which "the people" would gradually build by buying out the capitalist industries through purchase of

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

their stocks. Tugwell, another sugar-coater of capitalism, outlined his theory of the automatic perfection and socialization of industry, with a gradual growing out of capitalism into a new society of industrial efficiency and social justice. Mitten, head of the powerful Philadelphia traction interests, and one of the most successfully practical of this whole school, has his labor bank, company union, worker-management co-operative welfare schemes, employee stock-owning, and he goes about the country "fighting" the big bankers and telling the workers how they can, by saving their pennies, buy out the industries and become capitalists. And so on with many others who have stressed or developed some angle or other of this general program of capitalist efficiency "socialism."

THE ROLE OF CAPITALIST EFFICIENCY "SOCIALISM"

What is the role of the many industrial engineers and economists in developing capitalist efficiency "socialism," and especially in putting forth theories apparently subversive of the principle of private ownership of industry? Are these technical experts, with a growing "class consciousness" as Tugwell puts it, tending to break away from capitalism and to organize movements against it? Veblen preaches this revolt and Tugwell suggests that it is beginning to take shape. Plumb injected traces of it into his scheme of controlling the basic industries by tri-partite boards, two elements of which, labor and management, were to hold the majority of votes, and were assumed to co-operate together against the capitalists. Is capitalist efficiency "socialism" in any sense an opposition tendency against big capital?

First, as to the general tendencies and implications of capitalist efficiency "socialism." The whole movement, its "radical aspects" as well as its more conservative phases, constitutes a vital part of the employers' efficiency program. The movement, with its illusions and "reforms," tends to liquidate the class ideology of the workers, to destroy their class organizations, economic and political, to break down the workers' opposition to the intensified exploitation involved in the employers' industrial efficiency schemes. It tends to deliver the workers, confused and disorganized, to the capitalist exploiters. At all points it fosters and furthers the program of big business, which is no class ideology, no class program, no proletarian revolution, no class struggle, no political party, no real trade unions for the workers. Capitalist efficiency "socialism" is class collaboration carried to its maximum. That an occasional one of these economists and engineers may favor trade unions or even the labor party in no way militates against the validity of the foregoing.

Next, as to the role of these industrial theorists and technicians.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The economists and engineers in question are not actively in opposition to capitalism. With the status, for the most part, of petty bourgeois professionals, they allow themselves to be used systematically against the workers by the capitalists in this widespread movement to liquidate the proletarian revolution in all its aims, organizations, and movements. As a group, despite many proletarianized elements in their ranks, they are not revolutionary, but counter-revolutionary. This is especially true of the vocal elements among them, those who are turning out the voluminous literature on capitalist efficiency "socialism," even though this literature may have a "radical" tinge. They and their system of capitalist efficiency "socialism" are akin to Fascism, but a Fascism of powerful imperialist America, rather than of impoverished, backward Italy.

Nevertheless, the engineers, managing staffs, and economists of industry have class interests which conflict with those of the capitalists. They are a large and growing group in industry. They hold key positions and large numbers of them are miserably paid. The theorizings of the radical technicians in some degree reflect the class aspirations of these elements, their demand for greater returns for their work and more control over industry.

The character of the technicians' work also produces inevitably such theorizing. They must look ahead and see what the whole industrial process is leading to. Despite capitalist "prosperity" in the United States, the employers and capitalist economists are visibly worried as to where the whole thing is leading to. Their many books reflect this growing uneasiness.

The technicians also have a sort of craft pride. They never tire of sneering at the "stupid capitalists" who are too ignorant even of their own interests to put into effect the up-to-the-minute proposals of the technicians. Often they condemn them as "sabotagers," "parasites," "absentee owners," etc.

But the main body of their theorizing dovetails very nicely with the plans of the capitalists. It is counter-revolutionary to the core. The whole trend of it tends to demoralize and disarm the proletariat, to strip it of its class ideology and its organizations, to make it helpless before the intensified exploitation of the capitalists. Although more conservative capitalist retainers take some exception to the bitter strictures and condemnations of a Veblen, nevertheless the tendency of Veblen's theories is distinctly to strengthen capitalism. He expects that some day capitalism will fall of its own weight, but in the meantime the workers can do nothing. Their policy of class struggle is only so much sabotage of industry. Likewise in the case of Chase and others. While the workers are waiting for the new day they shall meanwhile co-operate with the en-

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ing, etc., as well as methods of technical efficiency, whereupon the more "radical" ones, the Beyers, Plumbs, Laucks, Tugwells, Carvers, etc., idealize them into "revolutionary" schemes of industrial democracy, workers becoming capitalists, automatic perfection of capitalism, etc., often mixing their own petty bourgeois class ideals and aspirations into these generalizations. The engineers, economists, and managers who are so loudly championing capitalist efficiency "socialism" are effective agents, intellectual hired hands, of American imperialism.

A MAZE OF ILLUSIONS

Through the many avenues of publicity open to them, capitalist newspapers, weekly and monthly magazines, trade union journals, factory papers, their many books, etc., etc., the capitalistic engineers and economists, through their capitalist efficiency "socialism" are sowing a complicated network of liquidatory illusions among the workers in this effort to break down every phase of the revolutionary movement. It is a major task of our Party to analyze the whole body of this poisonous theorizing which presumes to obviate the proletarian revolution and to work out a counter-propaganda against it. Here let us indicate only a few of the many illusions the new "revolutionists" are spreading:

Running all through the writings and practices of these bourgeois "socialists" is the theme of the perfectibility of capitalism through the continuation of the present tendency to "improve" production and distribution. No revolution, especially not by violence, is necessary. These engineers come forward with all sorts of programs for the liquidation of industrial crises, the abolition of unemployment, the protection of small stockholders (Ripley), the establishment of a capitalistic Gosplan (Tugwell), etc., all designed to overcome the contradictions of capitalism and to develop the present system to higher stages. Veblen, it is true, doubts that these contradictions can be overcome, but his program leaves the field free for the advocates of the perfectibility of capitalism. The liquidatory tendency of this upon the workers' ideology is evident.

The capitalist efficiency "socialist" movement is highly economic. It is a species of economism, the tendency of which is to direct the workers' attention away from political struggle and to disarm them in the face of the State. For most of these engineers and other technicians economics in the narrow sense is the one and only God. They despise politicians and they largely ignore the state. One can read whole books by them, dealing with far-reaching social transformations and find no reference whatever to the state or organized political action. The economic process is the thing. It of itself

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

determines everything, with but slight reservations. They do not gineers to speed up production, to the profit of the capitalists and the demoralization of the workers. The capitalist engineers are basically the theorizers of capitalist mass production, not the spokesmen of technicians and skilled workers rebelling against capitalism.

Capitalist efficiency "socialism," even in its most radical phases, is a system of corrupting and coercing the workers into the capitalist speed-up program. The tendency has been this: first, the more conservative of the engineers and managers work out such schemes as company unionism, employee stock-buying, profit-sharconceive of the state as a great weapon in the hands of the ruling class which it uses for the subjugation and exploitation of the working class. They see in it a sort of classless thing whose control over industry will progressively "wither away" in the face of a self-perfecting capitalism. With the state so strongly in the hands of the capitalists and so responsive to their needs naturally the engineer theoreticians do not focus their attention upon it.

Elements of automatism and economic fatalism run through this new engineering "socialism." Economics is everything, politics nothing. Changes in social relationships are more or less automatically brought about by changes in the modes of production and distribution. Thus we have the automatic socialization of industries and perfectibility of capitalism of Tugwell, and its twin brother the automatic collapse of capitalism and its regeneration by the engineers of Veblen. These "socialists" hold that nothing can be settled by violence. Industrial efficiency decides in the long run. Class struggle, strikes, organized political action, political revolutions, are not only stupid and futile, but social waste and sabotage of industrial efficiency as well. About the only struggle these engineers have in mind, aside from their own class interests, is one for efficiency; on the one hand to break down the primitive, conservative industrial ideas and practices of the capitalists, and on the other hand, to liquidate the resistance of the workers to the demoralizing super-exploitation programs of modern imperialism.

The capitalist engineer "socialists" are imperialists. They raise no voice against American capitalists strengthening themselves and their industrial system at the expense of peoples in other countries. But they are colored with a peculiar isolationism as well. They often consider the American industrial system as something that does, or at least can, exist more or less independently of the rest of the world. All Europe may totter in bankruptcy industrially, they reason, but powerful America will go on. Much of this isolationist tendency no doubt originates in the fact that American capitalism

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

is still very largely concerned with the development of its own mighty resources.

Pacifism also runs through engineering "socialism." These capitalistic engineers and economists consider war largely as a huge industrial waste which serves no constructive purpose in the development of their perspective industrial efficiency heaven-on-earth. Vaguely they expect the elimination of war by the building of international super-trusts and the unification of the world industrially. Then, they say, the contemptible politicians will be unable to wage war in behalf of their industrially inefficient self-interests. It is a theory of the automatic abolition of war. That all these misconceptions and illusions fit in easily to the imperialistic program of American capitalism is evident without further analysis.

The capitalist efficiency "socialists" are great advocates of the identity of interests of capitalists and workers. With their B. & O. Plan, company unionism, etc., they furbish up this time-honored formula of conservative trade unionism and give it a new form and vitality, fitting it for the needs of the employers in these days of mass production.

Widespread illusions are sent forth among the workers by these employers' agents that they can create "industrial democracy" under capitalism and that the systems of company unionism and company unionized trade unionism, working out the principles of "union-management co-operation," constitute such "industrial democracy."

Denial of the revolutionary role of the working class is a favorite program plank of the engineer "socialists." Only the engineers, they argue, are revolutionary, and there is only one revolutionary action—the improvement of industrial equipment and technique. Often they take the position that the working class is not only doomed to extinction but is actually disappearing, and that it has already become largely negligible as a decisive factor.

These bourgeois engineers, economists, and managers commonly advocate that the standards of the workers, in wages, hours, working conditions, etc., can and are being constantly improved under capitalism with a growing industrial efficiency. Although often they complain about the low standards of "certain" groups of workers, they are usually ardent defenders of the "prosperity" achieved by the workers under capitalism. They speak enthusiastically of fabulous automobiles, homes, radios, and large savings accounts of the workers. Carver carried this tendency to the extreme in his glowing accounts of the workers' prosperity and their ability to buy out the industries through the employee-stock-purchasing program.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A favorite propaganda illusion of theirs is that mass production of itself means higher wages. They also come forth with the theory, despite the great rake-off of the capitalists from industry, that further increases in wages over present levels must await increased production, an idea which Mr. Green and other B. & O. planners accept in practice. Many of them are also ardent advocates of the widespread theory that in the formula of mass production, high wages, and low prices America has found the magic key to perpetual prosperity. The engineers see no fundamental contradictions between the capitalist systems of production and distribution, which must result in "over-production," industrial crises, mass unemployment, wage cuts, the revolutionizing of the working class, and the final overthrow of capitalism. On the contrary, they look forward, generally, to a perspective of unlimited growth and prosperity of industry under capitalism, barring occasional industrial depressions, which, signs of an immature system, will gradually lessen and finally be done away with as capitalism perfects itself. In this expanding prosperity and efficiency they expect to see the class ideology and class organizations of the workers, as well as their "wasteful" class struggle practices, dissolve into the new "socialistic" capitalism. Their slogan is "evolution, not revolution."

THE PERSPECTIVE FOR CAPITALIST EFFICIENCY "SOCIALISM"

Capitalist efficiency "socialism" as found in its elaborately developed stage here, is a product of the period of the expansion of American imperialism, of the era of the rapid development of mass production. It distinctly hampers the struggle of the working class. The workers have from the inception of this movement reacted against the various welfare schemes, company unionism, etc., of the employers. But that the movement has nevertheless exerted a deleterious effect upon the workers' development is incontestable. It is especially dangerous at this time in view of its rapid adoption by the trade union bureaucracy, who are trying to cramp the workers into the efficiency program of the employers through their control of the organized labor movement.

American capitalism is heading towards great crises in the more or less near future. Already these are looming on the horizon. These crises will more rapidly demonstrate the hollowness of the whole capitalist efficiency "socialism" program. When millions of workers walk the streets in industrial crises, theories of the perfectibility of capitalism will have little appeal for them. When their wages are slashed and their meagre reserves are consumed through unemployment, proposals that they buy out the industries will be ineffective, even among the better paid skilled workers. As the workers face increasingly the terroristic force of the employers,

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

such illusions as may exist about capitalist "industrial democracy" and company unionism will vanish. Workers confronting chronic mass unemployment will not be attracted by the "union-management co-operation" speed-up program, even though their trade union leaders, bound up closely with the employers, propagate it ever so ably and enforce it with iron-bound autocracy. The workers will rebel in spite of capitalist efficiency "socialism." Already (steel, 1919; textile, Passaic, 1926; coal, Colorado, 1927) they have waged long and bitter strikes in industries loaded up with company unions, welfare movements, stock-selling plans, etc. This tendency will increase with the struggles of the workers becoming broader and deeper.

Notwithstanding this perspective, capitalist efficiency "socialism" constitutes a very serious menace to the workers. Its growing acceptance by reactionary labor leaders in England and Germany, emphasizes this fact. In these countries, however, there is no such base for it as that provided by American "prosperity." It is not enough to wait for life and experience to demonstrate its falsity and to liquidate its illusions. The Communist movement must carefully analyze it and militantly attack it, exposing its dangers to the workers and uniting them to struggle against it.

CAPITALIST EFFICIENCY "SOCIALISM" AND OPPORTUNIST SOCIALISM

A vitally important phenomenon developed by capitalist mass production, with its program of "getting the workers' consent," is the growing tendency of conservative trade union and right wing socialist leaders to accept the general principles and practices of the capitalist efficiency experts. There is taking place a gradual amalgamation of capitalist efficiency "socialism" and opportunist socialism.

In the United States this amalgamation is far advanced. Under the pressure on the one hand of a capitalism which they refuse to fight, and on the other under the pressure of masses of exploited workers, the upper trade union leadership are accepting the ideology and practical program of the capitalist efficiency engineers and are thus becoming more than ever the agents of the capitalists in their exploitation of the workers. They tend rapidly in the direction, blazed by the engineers, of liquidating the class ideology and organizations of the workers. They are the bitterest foes of the revolutionary left wing. They have surrendered the workers to the two capitalist parties. They accept, almost without alteration, the Government's foreign imperialist policies. They have completely abandoned and repudiated their former propaganda for nationalization of the basic industries. They make no efforts to consolidate the unions and build them into fighting bodies. They re-

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fuse to organize the unorganized in the face of employer opposition. They have dropped active opposition to company unions and are company unionizing the trade unions. They have adopted almost in toto the worker-capitalist "co-operation" in production program. They largely accept the "workers becoming capitalists" theory. Where they once attacked Taylor violently, they now have their own scientific management engineers. They are becoming bitter opponents of strikes in theory as well as practice, accepting such a monstrous thing as the Watson-Parker Law. They are gradually abandoning opposition to capitalist welfare work, profit-sharing, employee stock-buying, and the like. They have dropped their former petty bourgeois trust-busting program and now loudly announce their acceptance of the trusts. Where they used to simply demand higher wages for the workers, now they agree to more production as a condition for them. By accepting in principle the capitalist mass production program they have done much to break the working class' resistance to its speed-up features even in the unorganized industries. They have placed capitalist engineers at the head of the trade union movement—the whole trade union press is saturated with the B. & O. Plan, union-management co-operation articles of capitalist efficiency engineers, who are present-day trade unionism's ideological leaders. The American socialist leadership, party and trade union, is traveling the same route to the right, although it has not yet proceeded quite so far as Green, Woll and Co. And this whole system of amalgamation with, or surrender to capitalist efficiency "socialism" is called "the higher strategy of labor," which holds that not struggle against the capitalists, but "co-operation" with them must be the basis of the workers' program.

This developing amalgamation of capitalist efficiency "socialism" and opportunist socialism takes place not only in the United States but internationally. The rationalization of industry, the development of mass production is an international phenomenon. It occurs in all the leading capitalist countries. Its course in the main follows that taken in the United States, not only in the working out of mechanical and technical processes but also in the elaboration of a more or less well developed movement of a welfare, B. & O. Plan, and company union character to secure the workers' "consent" and "co-operation" in the plans of the capitalists for greater industrial efficiency and more intense exploitation of the working class, although the greater power of the American capitalist class enables it to apply these systems on a larger scale.

As in the case of American trade union leaders and socialists, the tendency of the right wing social democrats everywhere is to fall in line with this general development, to work out new schemes of

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

class collaborations with the employers to speed up production and to undermine the class organizations of the workers. In Germany the social democratic leaders, in the unions and in the party, have endorsed the rationalization program of the employers and they are accepting its "industrial democracy," its modified B. & O. Plan schemes, its trade union capitalism, etc. They are enthusiastic about the new tendencies developed in the American labor movement. They have given up Marx and are looking more and more to American bourgeois efficiency engineers for their social philosophy. In England the big employers, as part of their rationalization program, are also seeking to inject the elements of capitalist efficiency "socialism" into their industries. Even now they are in conference with the trade union leaders looking towards the adoption of some modified form of the B. & O. Plan, towards the company unionization of the British unions. The European social democratic trade union and political leaders are strong for the whole union-management co-operation scheme, but naturally, considering the differences in their objective situation, accept it much more cautiously and with more reservations than the American trade union leadership. The important thing to realize is that what is taking place is a growing amalgamation between opportunist socialism and what we have termed capitalist efficiency "socialism."

Capitalist efficiency "socialism" and social democracy originate in very different social quarters, the first coming from the extreme right, the big capitalists, and the latter from the extreme left, the workers. Capitalist efficiency "Socialism" was born in the laboratories, study chambers, and factories of big capitalism. It is an organic part of the employers' great drive for intensified exploitation of the workers. The exponents of this new bourgeois "socialism" are almost entirely economists, engineers, and industrial managers bred in the atmosphere of big capitalist industry, drawing their sustenance from it, and accepting the general principles and philosophy of capitalism. Very few of them have a socialist or even a liberal background. They and their movement are the agents and adjuncts of modern capitalist industry.

Social democracy, on the other hand, originated as a revolutionary philosophy and movement of the proletariat. Its history, in its opportunist phase, has been that of a long evolution to the right, of which the growing amalgamation with capitalist efficiency "socialism" is the latest phase. The history of the German Social Democratic party illustrates the world-wide development of opportunist socialism to the right. In the beginning this party was an alliance of revolutionary intellectuals and workers on the basis of a revolutionary program. But the rise of German imperialism, bringing

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

relatively steady work for the great masses and comparatively high wages for the skilled workers, furnished a fertile soil for opportunism. The trade union leaders, through their contacts in industry, gradually fell under capitalist influence. First they and later big sections of the party bureaucracy began to elaborate an opportunist program. More and more the party based itself upon the petty bourgeoisie and skilled workers, liquidating its revolutionary demands and concentrating upon petty bourgeois reforms. During the war and in the periods of revolutionary struggle by the workers and efforts by the capitalists to stabilize their social system following the war the social democratic leaders of the party and the trade unions became the life savers of capitalism. Their present increasing acceptance of capitalist efficiency "socialism," which makes them still more the agents of capitalism, is but a continuation of their whole evolution to the right. The seeds of opportunism, planted long before the war, have grown into the tree which is now bearing the dead sea fruit of capitalist efficiency "socialism." The opportunists' denial of the class struggle in theory and practice, their concentration upon programs of petty reforms of wages, hours, working conditions, social insurance, etc., their vague plans of nationalization and pacifist theories of super-imperialism, find their blood relatives in the theories of a classless capitalism, the welfare programs and B. & O. plan, and in the theories of the elimination of war by an international automatically perfected capitalism put forth by American capitalist efficiency economists and engineers. Kautsky and Tugwell belong in the same capitalist bed.

The long movement of opportunist socialism to the right has resulted in the breaking away of large masses of workers from its control because they are compelled to struggle against capitalism. These discontented elements have crystallized in and around the parties of the Communist International. A vitally important result of the present degeneration of opportunist socialism into capitalist efficiency "socialism" is that it weakens still further social democratic control over the proletarian masses, brings the socialist leadership more into conflict with these masses, and enables the Communist Parties, aided by the pressure of increased exploitation of the workers, to draw these masses under its leadership. In order to facilitate this splitting away of the masses from social democratic leadership, including our reactionary trade union leaders, it is basically important to thoroughly analyze the new engineering "socialism," the darling of the opportunists, and to expose its essential capitalist character. This is a task for the Communist International.

(*To be concluded next month*)

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Crisis in the United Mine Workers

By WILLIAM F. DUNNE

SIX HUNDRED THOUSAND men, women and children—coal miners and their families—workers who belong to the United Mine Workers and their dependents, are fighting for the union and their living standards, facing starvation, evictions and continued ruthless persecution by United States marshals, coal and iron police, state constabulary and company gunmen in the coal fields of Pennsylvania, Ohio and West Virginia.

These miners have been on strike, for the most part, since April 1, 1927. Some of them have been on strike since 1924.

In Illinois, the Lewis-Fishwick machine has signed a separate agreement, nominally maintaining the Jacksonville scale until February of this year. This separate agreement, which allowed the Illinois operators to take care of their markets during the busy fall and winter season, not only weakened the union's fighting front, but provides for an arbitration commission to "stabilise" the industry—actually to work out methods for reducing wages and increasing production. A similar agreement has been signed in Indiana.

Machinery is being introduced which, according to the most reliable estimate, will throw from 30,000 to 40,000 miners out of work and thus presumably cut in half the union membership in Illinois—once the strongest and most militant district organization of the United Mine Workers.

In the three anthracite districts, and especially in District 1, with more members than Districts 7 and 9 put together, the union officials and the coal operators are cooperating in the introduction of speed-up methods. The coal companies constantly and systematically violate the agreement provisions for wages and working conditions.

The Cappelini-Lewis machine adjusts none of the grievances arising out of these violations but thru the machinery set up to boost the sale of anthracite, works with the operators to lay the basis for a reduction of wages.

From the standpoint of the miners the union functions chiefly as an agency of the coal companies. The morale of the membership consequently is very low and the operators, notably such powerful

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

concerns as the Hudson Coal Company, take advantage of this to establish what is practically a company union.

Militant miners are persecuted and just a short while ago one of the leaders of the opposition to the Cappelini machine was murdered outright.

In the decisive coal producing regions of West Virginia the union is non-existent where once it had some 50,000 members.

The membership in Kansas has been cut almost in half by systematic persecution of Alex Howat and other militants.

In Nova Scotia Lewis aided the British Empire Steel Corporation against the miners, expelled the whole district and wrecked the organization.

In Alberta the same tactics were followed and the union smashed.

THE PRESENT STRIKE

Weakened by five years of official war upon the most loyal and militant section of the membership, the United Mine Workers went into a struggle last April 1, for which the coal barons had been preparing intensively since the Jacksonville agreement was signed in 1924. Lewis tried to avoid the struggle by surrendering but the traditions of its splendid past were still too strong to permit the membership to surrender without a fight. The strike began and the Lewis machine delayed the organization of strike relief for six months—one of the most flagrant instances of sabotage of a decisive labor struggle in American history.

Before the strike occurred, Lewis had offered to sign district agreements with arbitration and speed-up provisions. In other words he had agreed to abandon the principle of one national agreement which the union had fought for and maintained for years and which made it the power it was.

This was a continuation of the policy followed by Lewis in agreement with the coal barons since the signing of the Jacksonville contract. In Jacksonville Lewis agreed to cooperate with the big coal operators—to drive 200,000 miners out of the industry while they were freezing out the small fry bosses. Knowing that if the union kept the strength it had in 1924, and in addition was strengthened by organization campaigns which would unionize the West Virginia, Kentucky and Tennessee fields, whose lower cost coal was flooding the "central competitive field"—Ohio, Indiana, Illinois and Pennsylvania—where the union had its base, President Lewis refused to launch effective organization work and at the same time allowed the operators to violate openly the wage and working conditions stipulated in the Jacksonville agreement.

The morale of the union was lowered, the membership decreased

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

from 400,000 to 273,000 and tremendous expansion in production took place in non-union territories.

The basis was laid for smashing the union in its strongest districts—Illinois, Ohio and Pennsylvania.

The coal industry itself is in a crisis. It has lagged far behind other industries in technical development and is disorganized (7,000 separate firms according to the last census).

The crisis in the coal industry in the United States is part of the international coal crisis and springs from the same causes—narrowing markets and the backward state of the industry—the increasing use of fuel substitutes, large numbers of small properties, etc. (But there is now a definite trend toward consolidation.)

THE UNION CRISIS—WHY IT CAME

President Lewis and his official family put forward the disorganized condition of the coal industry as an unanswerable reason for the disaster which has overtaken the union Lewis has controlled for 7 years. It is of basic importance therefore to understand that the crisis in the union is *not* caused by the crisis in the industry *but by the criminal refusal of the Lewis machine, backed by A. F. of L. officialdom, to adopt a program to meet the crisis.*

The Lewis machine has approached the question of the crisis in the industry from the standpoint of the coal barons instead of the standpoint of the coal miners. The Lewis policy has been and is a policy of surrender—of peace with the coal barons at the expense of the miners.

The operators joined Lewis in his war on the Communists and the left wing, they praised his concern for the industry, they were grateful for his permission to violate the Jacksonville agreement, they applauded his expulsion of local unions and districts for grievance strikes—but when they believed the union sufficiently weakened they struck with all their might.

Meanwhile federal and state courts have handed down injunctions which, like that in West Virginia, make illegal not only strikes but organization campaigns as well and establish precedents for outlawing strikes and organization drives which affect the production of articles of interstate commerce but the Lewis machine fights all attempts to establish a Labor Party and wage a militant political struggle against this menace.

Non-union bituminous coal production has increased until today it is safe to say that it is at least 80 per cent of the total tonnage. At the beginning of the strike it was 70 per cent of the total. The tonnage of three states alone, West Virginia, Kentucky and Ala-

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

bama, has risen from 25 per cent of the total in 1920 to 47.2 in 1927.

But it is not only tonnage increase but the *kind* of tonnage that shows how the union has declined under the Lewis leadership. *The mines owned or controlled by railway, steel and automobile companies are the mines that have gone non-union—in other words Lewis has led the union to defeat in the most decisive sections of the industry.*

The United States Steel Company, the General Motors Company, the Pennsylvania Railroad, the Baltimore and Ohio, the New York Central, the Wabash and other roads, practically all the big "independent" steel companies, are behind the drive to smash the United Mine Workers.

The coal barons are not worrying as long as the union is led by Lewis and dominated by his policy. "The Coal Age" for December, 1927, says:

> "To all intents and purposes Pennsylvania is at present 100 per cent non-union—the power of the union in Ohio appears to have been definitely broken. . . . Today the country no longer fears the union. Its power to injure the public (meaning its ability to strike effectively) is gone. Everyone can see that the settlement in Illinois and Indiana makes this struggle in Pittsburgh (district) a local one which cannot possibly create a shortage of coal this winter."

THE MINE WORKERS AND THE LABOR MOVEMENT

With the most powerful union in the labor movement crippled, the attack on the rest of the labor movement similar to that which has re-established the open shop in the needle trades, waged jointly by the bosses, the government and the reactionary wing of the labor movement, will not be long delayed.

The consequences for the labor movement, if the United Mine Workers are finally defeated, will be disastrous. The crisis in the U. M. W. A. is a crisis in the entire labor movement.

The salvation of the union lies in spreading the strike, organization of the non-union fields, adequate strike relief for the 600,000 men, women and children in the coal camps and—the defeat of Lewis.

The burden of the re-organization of the industry must be borne by the industry and the government. This burden must be lifted from the shoulders of the miners and their families where it has been placed by Lewis, and by militant organization campaigns the union can be strengthened sufficiently to enforce the 6-hour day and the 5-day week to relieve unemployment.

It is not by reducing the wages of union miners but by organizing and raising the wages of non-union miners that the crisis can be overcome. The quintessence of the treacherous program followed

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

by Lewis is that it is designed to save the profits of the coal barons at the expense of the living standards of the miners and by weakening the union.

The left wing has raised the correct slogan of "Lewis must go." It has established its militant paper "The Coal Digger." Conferences of rank and file fighters are being held.

The slogan of "Save the Union" which a year and a half ago sharply called attention to the dangerous situation the U. M. W. A. faced, and which subsequent events have justified a thousand times, is rallying the membership for struggle—against the coal barons and Lewis, their agent.

The government, thru President Coolidge, views the life and death struggle of the miners with the utmost cynicism. Coolidge, according to a recent Washington dispatch, "sees no remedy" for existing conditions in the coal fields. Judges and police are doing their work well. The coal barons are getting all the help they need now from the government and arrogantly reject all proposals for conferences with the union. Coolidge is willing to leave a settlement to the coal barons.

The role of the government has not escaped the attention of the miners and their families. Union officials gather in Pittsburgh and "organize strike relief" by urging support of "friends of labor" on the tickets of the capitalist parties.

But sentiment for a Labor Party grows just as the spirit of revolt against the open shop drive and union officials who refuse to fight increases and bursts the bounds of official censorship.

The United Mine Workers' union will be saved by the rank and file organized and led by Communists and left wing miners and the adoption and application of the militant program they put forward.

The struggle to save and build the union must be carried on openly against the Lewis machine at all costs.

The crisis in the United Mine Workers is one involving the life of the labor movement. The support of the strike, the struggle to spread the strike to all coal fields, the organization of the non-union fields, the defeat of the coal barons and their government—these are the tasks to which every worker who values the right to organize and strike, the right of the labor movement to live and function, the necessity for maintaining the living standards of the whole working class, will rally with the utmost energy.

The responsibility and the tasks of our party in the crisis in the miners' union are heavy. They demand from every comrade the most thoro understanding of the party program and unceasing work for putting it into effect.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

America Discusses the Opposition

By Bertram D. Wolfe

(*Concluded from Last Issue*)

LORE'S BRIDGE TO SOCIALISM

The *Volkszeitung* is edited by Ludwig Lore, who tries to run it as an organ for the expression of his personal opinions and his personal aims. He is a former member of the Workers (Communist) Party, who was expelled by the Party for incurable opportunism and for refusal to submit to Party discipline. He has a close intellectual kinship with the viewpoints of Trotsky and translates the errors of Trotskyism to the American environment. He exhibited over a period of years a lack of understanding of class relationships in the United States, a failure to understand the role of the farmer, the possibility of an alliance between the workers and the exploited sections of the farming population, and an inability to understand the possibilities of an alliance with oppressed colonial peoples against American imperialism.

In the Communist International, he supported by editorials in his paper, which he ran as organ for the expression of his personal views, every opponent of the line of the International. He supported editorially Serrati, Levi, Brandler, Trotsky, and others. He had contempt for party discipline, was an opponent of the necessity for illegal work, and wished to keep a reputation for being a revolutionary by abstract revolutionary propaganda only. The reader will recognize on a changed and diminished American scale many of the characteristics of Trotskyism from the above description, especially if there is added to it the fact that Lore was and remains a master in the art of cloaking his incurable opportunism in revolutionary phraseology.

CONFLICTING EMOTIONS

The *Volkszeitung* pretends not to take sides in the controversy, in order to fish the better in troubled waters to catch a few fish of its own. Lore's position is a confused one and the confusion is twice confounded by the fact that the opposition represented an unprincipled alliance of the man Lore most admires, Leon Trotsky, and the man he most hates, Gregory Zinoviev. This enables Lore

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to attribute the "bad points" in the opposition program to Zinoviev and to excuse Trotsky. For example, in an editorial of November 27, Lore writes:

"This program (the program of the opposition) contains points so unrealistic that one (!) would not wish to credit them to a Trotsky or a Rakovsky . . . (follows an example of a reproach levelled by the opposition against the government for failing to declare war on Chang Tso Lin after the Peking raid). "Such bravado" continues Lore, one might perhaps have expected of a Zinoviev, but that Trotsky or Rakovsky should so lightly invoke a war of destruction against the Soviet Union . . . that one would still a few months ago have considered an impossibility."

In another place he writes: "At that time he (Trotsky) still enjoyed the bitter hating opposition of Zinoviev who now—alas!—is with him." That "alas!" speaks volumes as to why Lore cannot give unqualified support to the opposition.

But even to his old pet abomination, Zinoviev, Lore became more gentle when Zinoviev had met adversity and was following in the camp of Trotsky. Thus he writes in his editorial of Dec. 20, entitled "Blind, Unconditional Submission:"

"He (Zinoviev) was shoved aside and driven from the Party which he—however one may regard this in our opinion shame of the revolution—for ten years had served to the best of his ability."

Lore has always had a close ideological kinship with the viewpoints of Trotsky, His hatred for Zinoviev, which, as is usual with Lore, he translates into personal antipathy, was in its origin due to the fact that Zinoviev as chairman of the Comintern symbolized at that time the discipline and the line of the Communist International against which Lore fought.

A WELCOME DEPARTURE

Hence it is with a sigh of relief and a determination to support more loyally the Trotskyist opposition, that Lore hails the news that Zinoviev is trying to make his peace with the Party and find his way back into its ranks. In the Volkszeitung of Jan. 17, Lore writes:

"Leon Trotsky (and his followers) had about six months ago united with the Zinoviev-Kamenev group. Our readers are informed about this, and our readers also know that we considered this bedfellowship one of Trotsky's most fatal mistakes. This Leon Trotsky has also in the meantime realized. The various Canossa steps of Trotsky in the last year (by this Lore means his attempts to reconcile himself with the Party, such as the pledge of October, 1926, were attempts to meet the necessities of this coalition; Canossa steps which were never sincerely intended and therefore always

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

very quickly disavowed by the "penitent" and doubtless roused much mistrust against him—Trotsky—in those very circles whose support he needed. (Lore holds Zinoviev responsible for Trotsky's not having made a sharper fight against the Communist Party.—B. D. W.)

Of Zinoviev, Lore writes in the same editorial "The good man had reckoned on the loyalty of his submissive hirelings in the different non-Russian parties and had badly missed his reckoning. (This is Lore's picture of the Communist International).

The editorial ends: "The leaders of the C. P. of the Soviet Union are making it hellishly difficult for the friends of the Soviet Union always to keep before their eyes the fact that it is a leadership endowed with the confidence of the thinking workers, which is carrying on this base policy of revenge."

ABOVE THE BATTLE

In spite of such editorials and in spite of a systematic propagation of all the worst slanders of the opposition and even a readiness to pick up rumors from counter-revolutionary sources in Berlin, Riga, and any other rumor factory on the face of the earth, Lore is very eager to give added weight to his attacks on the Soviet Union and on the Communist Party by pretending to be "above both factions." Consequently he declares editorially:

"In the main, the interior and foreign policy of Stalin-Bucharin seems to us correct, that of Trotsky-Zinoviev wrong."

In the question of discipline, however, in the "fight over freedom of opinion" he is unqualifiedly with the opposition.

On this latter point, the *Volkszeitung* is particularly vicious—much worse than the capitalist press. Thus in a news dispatch of December 5, we read "His (Stalin's attitude was that of an inquisitor of Conscience. He demanded submission, not merely in acts but also in thots." Right below this "news" dispatch is printed a brief extract from Lea's "History of the Spanish Inquisition" which reads:

"An imperfect confession (confessio imperfecta) was every confession that did not bring also information on heretics known to the penitent. Such a confession was technically regarded as a backsliding and punished with death." Such is Lore's view of the demand made by the Party that the opposition should give up its anti-Leninist views if it wished to remain part of the Party that is recruited and united on the basis of a Leninist program and should dissolve its caucuses. And such is Lore's method of portraying the fact that the opposition, having once promised to disband its caucuses and violated its pledge, is no longer trusted and is required to give

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

its connection, mailing lists, etc. to the Party so that the Party can make sure that the caucus is dissolved. Can any bourgeois opponent of the Communist Party be more vicious in his attack on Communist discipline and the C. P. S. U. than Lore in his comparison to the Spanish Inquisition? Not even the *Forward* has been more vile.

In his editorial of December 20, Lore writes:

". . . only he who endorses every dotting of an i, only he who everywhere and at every time exactly so thinks and acts as the majority of the moment desires, wills and commands—only he is worthy to be a member of the C. P. of the Soviet Union." This is Lore's old concept of Communist discipline as "Kadavergehorsam"—the obedience of a corpse—now aimed not at the American Party but at the Communist Party of the Soviet Union.

A DOMESTIC RUMOR FACTORY

In the issue of Nov. 27 is probably the worst slander of all in this respect, in an editorial entitled "The Stalin Machine." It pretends to repeat and analyze a news item cabled from Kharkov. It reads in part:

> ". . . . they propose to protect Stalin—the 'Man of Steel'—thru a special lese majesty (offense—to majesty, the sedition act of monarchical countries) paragraph! According to Rykov's speech that was explicitly decided upon. Everyone who speaks of Stalin in disrespectful fashion (unehrerbietigen Ausdruecken) shall be arrested and tried. (Could the Riga rumor factory produce a worse lie?—B. D. W.) In other words, the Soviet Union is identified with the general secretary of the Communist Party and the thesis is set forth that every offense of Stalin is equivalent to a deliberate injury of the Soviet Union. That that is going a trifle too far should be clear even to the unconditional believers." To which I can only add, in Lore's own words, "that that is going a trifle too far should be clear even to the most unconditional believers" in Lore and the vile gossip of the anti-Communist "Volkszeitung."

Lore uses the occasion of the controversy to take many side-swipes at the Communist International, the "brother-parties" and, of course, the Workers' Party, from which he was expelled. When the Workers' Party sent a telegram expressing its views on the controversy in the brother-party of the Soviet Union, Lore speaks of it as the "asked-for telegram." He denounces the Central Committee for not holding a nation-wide discussion and a referendum vote before taking a stand on the issue. Nor is he averse to manufacturing outright lies about the American Party, any more than he is in the case of the "lese majesty" yarn concerning the Russian Party. Thus in his issue of Dec. 4, he states that there is an order from

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the Central Committee to the District and County-Committees of the Workers' Party (Lore knows that there is no such thing as a County-Committee in the Workers' Party) to the effect that "all sympathy with the Russian opposition is to be castigated by immediate expulsion from the Party." Lore still has a disciple or two in the party who could have told him that no such order was sent out, so we can only conclude that Lore has a rumor-factory of his own and does not have to buy forged documents.

On closer analysis, Lore does not turn out to be as neutral as he pretends. In his editorial of Nov. 27, we find the statement:

> "In general it will of course be well to reserve judgment until authentic material about the questions in dispute is at hand. The literature Department of the V. I. A. (International Labor Alliance —Lore's 'German-Language Party' of which he has also formed with Salutsky, Boudin, Bellanca, Kutscher and other renegades and tired radicals an English section—B. D. W.) will shortly have here the Platform of the Russian Opposition, which has been published in Berlin in an authentic edition." (Lore does not worry about "reserving judgment" on the authenticity of the platform smuggled out of the Soviet Union and published in the anti-Soviet press in Berlin and other parts of Europe.)

LORE'S LITTLE "LABOR" ALLIANCE

From Lore as a center can be traced an interesting, if diminutive series of "interlocking directorates" linking up with various renegades from and enemies of the Communist movement in this country. First, there is the aforementioned International Labor Alliance. It was born very quietly in the columns of the *Volkszetiung* in the form of a little association for the publication of a four-page weekly English supplement. In fact, its birth was so quiet that it has never gotten beyond the stage of still-birth. Nevertheless, its parents, godparents and stepparents are an interesting crew. There is Boudin, who got lost when the Left wing was formed and separated from the Socialist Party. He remained in the "swamp" —the name which Lore used recently editorially as interchangeable with the "center"—and renamed "spurlos versenkt" for a period of eight years. He regards the "International Labor Alliance" as, to use his own words, "a home for homeless revolutionists."

Then there is Salutsky, expelled renegade from communism, who sold his communist principles for a berth from the bureaucracy of the Amalgamated Clothing Workers Union when that union's leadership was in full course of degeneration. His views are taken up in another section of this article. Then there is Bellanca, agent for the Italian language of the same Amalgamated Bureaucracy, also a renegade from communism. He is in turn linked up with

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Nuovo Mundo, Italian daily largely financed by the Amalgamated bureaucracy. These form the right wing or opportunist section of the tiny alliance.

It is tied up with an ultra-left incurable dual unionist grouplet of men like Kutscher, expelled from the communist party for refusal to carry out the policy of working in the mass unions. Similar elements are Kiehn and Burkhardt. (For anyone familiar with the Siamese twin character of deviations from the communist position, this alliance of crazy leftism with opportunism will furnish no surprise. They are the two faces of the same shield on which is borne the device: Abandonment of the struggle in the conservative mass union.) Lore is in turn connected up with certain "reporters" —gossip-mongers—in the Soviet Union and in Germany, expelled and opposition elements. Thus his diminutive *Volkszeitung-Supplement Organization* earns its right to the pretentious name of International Labor Alliance. It is Lore's International. And if the Opposition in the Soviet Union had fared better and succeeded in making a split and linking up with the Souvarines, Maslow-Fishers, etc., in a "Fourth International" Lore and his International and Eastman and his little band of admirers of the Schmalhausen type would have in course of time offered themselves as the American section.

A BRIDGE TO SOCIALISM

That such an organization as Lore is trying in vain to construct represents a bridge back to the social-democracy and the A. F. of L. bureaucracy, an examination of its attitude toward the struggle against the bureaucracy will reveal. Thus in the *Volkszeitung* of the 4th of May Lore has an editorial on the attitude of both the VIA and the newly formed International Labor Alliance toward the struggle in the unions. The first half declares sympathy with the left wing in the needle trades fight. The second half is published under a vicious cartoon republished from a Yiddish humorous paper "The Big Stick" depicting two Jewish workers belaboring each other with big clubs labeled "class struggle." One follows the Communist *Freiheit*, the other the Socialist *Forward*. Karl Marx stands in the background amazed and says: "What has been made of my teachings!"

Lore interprets the cartoon. Says it is the best picture he could imagine of the situation. Explains that the two big clubs are the *Forwards* and the *Freiheit*. Declares both were built up with the saved pennies of the workers, and that neither is attacking the capitalist enemy but are being used only against each other. Thus Lore's "sympathy" for the left wing proves to be "neutrality" and attack

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

on both equally, unhesitating concealment of the fact that the struggle of the left-wing against the bureaucracy is part of the struggle against capitalism, that we cannot defeat capitalism without defeating its agents in the labor movement.

Lore goes a step further in the editorial, and extends it from the Jewish unions where the fight is ostensibly between socialist and communist, altho in reality, as I have described above, to the "entire American labor movement;" An understanding between Sigman and Hyman and Zimmerman! An understanding between Green and Woll and Gold and Gross! That's easy. Give up the fight against the bosses, and you can reach an understanding with the bosses' agents. But carry on the fight against capitalism and you must vanquish the first line of defense of the bosses, their labor lieutenants, their agents inside the labor movement.

The same deliberate concealment of the real nature of the fight of the left wing against the socialist bureaucracy as an essential part of the struggle against capitalism is to be found repeatedly in the writings of Lore, as, for instance, in the editorial in the "English Section" entitled "What can the International Labor Alliance Accomplish?" This ends with the following sentence: "It can, perhaps, teach tolerance so that, however violently socialists and communists may disagree, they may nevertheless realize that each is but part of labor which is the whole." Yes, Brother Lore, and capital and labor are "each part of society, which is the whole." Tolerance is all right between allies, but tolerance between Socialist bureaucracy and left wing, between Mensheviks and Bolsheviks, between Noske and Liebknecht, between enemies of capitalism and agents of capitalism, between those on the opposite sides in the class war, is the preaching of class peace and the abandonment of the struggle. Green and Woll are also part of the labor movement which is the whole! And Axelrod, Abramovitch and Noske are also socialists. You are forming a bridge back to social democracy and the A. F. of L. bureaucracy for the Salutskys and Bellancas and Lores to march over. Yet you yourself possibly do not understand the meaning of your would-be bridge.

SALUTSKY EARNS HIS HIRE

J. B. Salutsky (Hardman), another renegade from Communism, expelled from Communism; expelled in 1924 for selling his principles to the bureaucracy of the Amalgamated Clothing Workers, sees in the action of the Communist Party of the Soviet Union an opportunity to justify the actions of Hillman and Beckerman in the Amalgamated and of Green, Woll and Co. in the A. F. of L. In

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the *Advance* of Dec. 9, he draws the analogy in a vicious article entitled "The Double Standard of Political Morality."

Here he compares the "labor movement" of America (by which he always means the bureaucracy of the labor movement) with the Soviet Union. Our trade unions (he cries) are "never absolutely safe." We must have a dictatorship in the unions. But the Soviet Union is in no danger of war. "There is no present likelihood of any foreign power invading the territory of the Soviet Union no matter what disagreements members of the government party should develop."

Mr. Salutsky-Hardman is doing noble service for the forces of imperialism systematically planning new war against the Soviet Union by his efforts to disarm the workers of the Amalgamated by such assurances. But that is not his main purpose. His purpose is to suggest that revolutionary terror is unjustifiable in so "secure" a land as the Soviet Union, but is justifiable when used by Hillman and Beckerman, Green and Woll, against militants and progressives in the United States.

> ". . . if members should be permitted to engage in *activities* which tend to throw their (the unions') unity in jeopardy and demoralize their strength, no union will survive. But groups like the T. U. E. L. insist upon demanding immunity in America for much more and things worse than what they consider a capital offense in the Soviet Union."

A shabby piece of typical Salutsky sophistry. A splendid comparison, Mr. Salutsky, but you neglect to mention that those who "throw the unions' unity in jeopardy and demoralize their strength" are the Hillmans and Beckermans and Wolls and Greens, whom you serve so faithfully and they deserve a worse fate than the Opposition in the C. P. S. U.

Mr. Salutsky is very dexterous with the word "Opposition" as he is with words in general. The American communists, he declares, approve the expulsion and annihilation of the opposition in the C. P. S. U. "In this country, however, they are themselves in Opposition in the labor movement." How profound!

It is not a question of opposition or administration, Mr. Salutsky. It is a question of opposition to *what*, administration in *whose* interests? Against *whose* interests?

The administration in the Amalgamated as in many American unions has become an enemy of the interests of the members of those unions. The opposition to the policies of the bureaucracy is opposition to the policies of the bosses. It is opposition to the agents of the bosses in the interest of the rank and file of the trade unions.

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The opposition defends the interests of the labor movement in America against a corrupt, capitalist-serving bureaucracy. The fight against the bosses in America requires a fight against their lieutenants in the labor movement, the trade union bureaucracy. It is the introducers of piece-work who "tend to demoralize the strength of the unions and throw their unity into jeopardy. It is the introducers of production standards. "It is those who demoralize by preaching class collaboration. It is those who employ gangsters against the membership of the union. It is those who blacklist, blackjack and expel militants. It is those who demoralize the union and threaten its unity.

The Communists here are fighting for the same thing as the communists in the Soviet Union. Not every opposition is bad. Not every administration is good. The question is—opposition to what? Administration in whose interests? And when the question is thus clearly put, the answer cannot be evaded by juggling and word-play. The militant opposition in the Amalgamated is fighting on behalf of the same class as the Communist Party of the Soviet Union is: It is not as you term it a question of a "double standard of political morality" but a single standard. The "standard of morality" is in both cases the same—*the interests of the working class*. And whoever defends the interests of the working class in the unions of this country must be in opposition to the bosses and to their agents in the labor movement, to the Hillmans and Beckermans, the Sigmans and Kaufmans, the Greens and Wolls and Lewises—yes and to their hired lickspittles, the William English Wallings and J. B. Salutsky-Hardmans as well.

Just one more word to Mr. Salutsky. The "save the unions" slogan adopted by the Workers Party in May of 1927, and accepted as the central slogan of the T. U. E. L. in its convention of December, 1927, Salutsky defines as "simply a shorter term for 'Fight the existing unions to a finish.' "

Slightly mistaken, Mr. Salutsky. To "save the unions" which are in a pretty bad way, we must fight the existing union-wrecking bureaucracy to a finish. We must finish them or they'll finish the unions. A fight against the bosses' agents in the labor movement is a necessary part of the fight to save and strengthen those unions. We can't fight the bosses without fighting their agents as well.

ABRAMOVITCH GIVES THE SOCIALIST VIEW

The Socialist press in the United States, such as it is, openly accepted the view of the capitalist press as to the issues involved. *The New Leader* even republished the Hearst forgeries of "speeches" by Stalin, and Bukharin as genuine. The Jewish Daily Forward

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

rewrote Riga stories, published forgeries, rewrote stories from the *Times* and even from the *Chicago Tribune.*

Their "fundamental theoretical" article was contributed by the old Menshevik counter-revolutionist Abramovitch and it is of more than usual interest representing as it does an authoritative Menshevik view.

Abramovitch agrees with the Opposition contention that the party is going to the right and abandoning Bolshevism. He explains away the Party's seven-hour day decision and its pressure on the Kulaks and Nepmen as "leftist phrases in the inner policy to cover right actions in its foreign policy." This foreign policy is one of "surrender to the capitalist regimes," surrender of the revolution, surrender of the principles of Bolshevism.

Abramovitch agrees also that the Soviet Union has gone through its Thermidor. The proof is not for him its internal policy, but Litvinov's work at the Geneva Conference.

This "surrender" of Bolshevik principles is inevitable. The Bolsheviks should never have made a revolution at all. We Mensheviks told them that conditions were not ripe, that Russia could not build socialism. But Bolshevism was visionary. It tried to accomplish the impossible. It has lasted as long as it has, only by surrendering its principles step by step. "Communism can exist in Russia as a power only so long as it is descending from the path of Communism." That descent is practically finished. Every diplomatic victory for the Soviet Union is a proof of it. Every treaty signed with a capitalist nation is a proof of it. The repudiation of the opposition is a proof of it. Russia has reached a "new capitalism of Bolshevism" . . . . She is now really a part of the League of Nations!

And what does the opposition represent? "Trotsky is the representative of the revolutionary part of the Bolshevik Party!"

The defeat and disciplining of the opposition is done as a favor to foreign imperialism. Stalin "jails the naive Bolshevik revolutionists, puts them in jail and assassinates them politically" in order to prove to capitalist politicians "that it is possible to do business with him." "The attacks on Zinoviev were a part of the price which Stalin paid for 'lunch' between Litvinov and Chamberlain —the attack on Rakovsky was a small present given to Briand for his relations with Russia."

Abramovitch is extremely annoyed to find that his arguments are actually used by the Bolshevik press against the Opposition. He complains: "A few weeks ago in one of my lectures in Riga (of course it would be in Riga—B. D. W.) I said that the opposition consists of those Bolsheviks who are really desirous of realizing their

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ideals and that these communists are criticizing Stalin in almost the same way as we Mensheviks are. As soon as I stated that a long telegram was wired to Moscow and right after three long articles appeared in Pravda and Bukharin made a long speech on this subject!"

Even tho Bolshevism is wrong, it is necessary to expose Stalin as false to it, is Abramovitch's conclusion and he ends his lengthy article with a stirring appeal to the capitalist nations not to be deluded by appearances. "Some of Stalin's steps might be more correct than those of the Opposition, but his general policy is just as dangerous as could be the policy of the lefts." It is the duty of the Mensheviks and Socialists generally to expose this fact and to awaken "Stalin's foreign slaves" which is Abramovitch's affectionate way of referring to the Communists thruout the world. This appeal to the "foreign slaves" not of capitalism but of communism is too good to abridge so I give it in full:

> "It is necessary," reads the appeal in question, "to destroy the false cries of Stalin to his foreign slaves that he is the real defender of the revolutionary proletariat and revolutionary Leninism, while Trotsky and other oppositionists are only voluntary lackeys of the capitalist bourgeoisie. (Fancy Abramovitch defending 'revolutionary Leninism'!) The truth is: and that is proved by the recent policy of the Soviet Government on foreign policy that the oppositionists are the only ones who really remained true to the old revolutionary Bolshevism. (Poor Zinoviev, poor Trotsky, they are most unfortunate in their champions. To be defended by Abramovitch and Eastman!)
>
> "It is false, this revolutionary Bolshevism," continues Abramovitch, "and the opposition is therefore following a wrong path which cannot lead to any practical results. But what Stalin is doing means to go away from Communism and at the same time to assure the world that 'we are building communism.'
>
> "If this were a departure from Communism to a conscious socialist policy we could still forgive this. But a conscious socialist policy cannot be introduced thru terror and dictatorship. Stalin's path is: Concessions to foreign capitalists and slavery for the Russian people. Such a path and policy cannot solve the problems of the Russian revolution and the proletariat of the whole world."

KANTOROVITCH LECTURES MAURER

One more "socialist view." Haim Kantorovitch contributes an interesting letter to the *New Leader* of December 17. An old opponent of Bolshevism, his unprincipled career has led from the I. W. W. to Zionism. Expelled from the Left Poale Zion organization because he sold his "talents" to the right wing of the Jewish socialist bureaucracy, he now writes for the union-wrecking, anti-soviet organ of the Jewish Socialist Verband, *Der Wecker*, and

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

represents it on the National Executive Committee of the Socialist Party.

The purpose of his letter in *The Leader* is not to discuss the opposition in the C. P. S. U., but to denounce James Maurer, head of the first American Trade Union Delegation to the Soviet Union and member of the National Executive Committee of the Socialist Party. Kantorovitch attacks Maurer for having seen in the achievements of the Russian working class the accomplishment of that for which the workers of the world are struggling. "I expected," complains Kantorovitch, "a Socialist interpretation of Russia, and a Socialist appreciation of Bolshevism" . . . but Maurer's report sounded like "an editorial from the *Daily Worker*."

> "He (Maurer) is being convinced that Socialism is really being built there, that the workers are free, happy and contented, more than in any other country in the world. Not a word of criticism. . . . Comrade Maurer has not found anything in Russia that he could not justify."

Kantorovitch hastens to enlighten him, using the arguments of the opposition in the Communist Party of the Soviet Union (plus arguments of his own) and sermonizing on the fate of the opposition. There is far more freedom in the United States, thinks this enemy of working-class rule. "While the *Daily Worker* is legally published in the United States, Trotsky and Zinoviev, the first commander of the Red Army and the father of the Communist International, cannot legally publish their platform in Russia . . . Comrade Maurer seems to agree with Stalin (on the question of freedom of the press) tho he must know that freedom of the press and of speech are denied not only to the bourgeois class in Russia and to the Socialists, but also to the Communists.

> "It should not have been hard for Comrade Maurer to learn that there is freedom in Russia only for the ruling Stalin clique."
>
> "And the things that Comrade Maurer has not seen! He has not seen the jobless and the breadless . . . the goods famine . . . the growth of the new bourgeoisie in the cities and the Kulak in the villages. . ."

Kantorovitch believes that the opposition group are the true Bolsheviks and this old opponent of Bolshevism supports them against the Communist Party of the Soviet Union, in the name of Bolshevism and Social Democracy!

> ". . . a bitter fight is going on," he writes, "between the real founders of Bolshevism and those who call the N. E. P. socialism (Kantorovitch knows the opposition credo by heart); between Trotsky, Zinoviev, Radek and other old communists and the Stalin and Bucharin group. What is the fight about? The Trotsky, Zinoviev group maintain that every trace of Communism in Russia is being abolished, that all thought about the world revolution is given up,

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> that capitalism is growing in Russia and that the Russian Soviet Government in itself is being gradually transformed from a workers government into a peasant and Nepmen government."

Kantorovitch then lectures Maurer on the fact that while the opposition is becoming more critical of Bolshevism and Stalin is denouncing them as expressing Menshevist ideas, and as being "Social Democratic traitors" Maurer is swallowing Stalin's viewpoint and thus impliedly accepting this identification of social-democracy with betrayal of the cause of the proletariat.

> "But if Comrade Maurer does not identify Social Democracy with betrayal and Trotsky with the Social-Democrats, he may profit by hearing what Trotsky has to say about the present conditions in Russia. (Kantorovitch is right in declaring that the slanders of the opposition are of profit to the Social-Democrats and all other opponents of the Communist Party and the Soviet Union.) In the thesis of the opposition—Pravda, Nov. 5, 1927 (Kantorovitch is a diligent reader of the Pravda), it is stated that capitalism grows in the cities, the Kulak gets richer and more influential in the villages, unemployment grows, the housing shortage is terrible, and, what is still worse, the Nep-man and Kulak become more and more politically influential . . . Zinoviev pictures in the following words: 'The Nep is growing and you call it Socialism and are happy about it!' . . . Smilga complains: 'You promise a seven-hour day while the eight-hour day still remains on paper only.'"

Thus the cunning social-democrat quotes his slanders now in the name of "the real founders of Bolshevism," the "old Communists" etc., in place of slandering in his own name. And his purpose, to refute the report of the first American Trade Union Delegation, to convince trade unionists that their observations are not correct, to counteract the effects of a favorable report that tends to rally the workers of America to the defense of the Soviet Union!

For years the Social-democratic opponents of the Soviet Government had to content themselves with quotations from the Mensheviks, from the white-guardists, from Kautsky and Bauer and others of their own ranks. Now they appeal to "old communists" and "the real founders of Bolshevism," but repeat the same old fables. And the tragedy of it is that their quotations are accurate. That the opposition has become the mouthpiece for the repetition of all these fables about the impossibility of the construction of socialism, about the dictatorship of the apparatus, about the degeneration of the Soviet Government and the Communist party of the Soviet Union, about the failure of the revolution and the gradual return to capitalism.

WHAT THE LIBERALS "THINK"

The New Republic has in general fought shy of the whole question. It is too busy injecting mysticism into the shreds of its tat-

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tered and soiled rags of liberal virtue to pay much attention to the Communist International or its leading party. But a little editorialette in the number of November 23 is sufficient to show its attitude.

"One of two developments is now probable," declares the editorial writer, "Either there will be an attempt at a coup d'etat, headed by Trotsky, still enormously popular with the masses, or Stalin will move an appreciable distance towards a personal dictatorship on the Mussolini model." Why cannot both things happen? The editorial writer is silent on the question. Why should either happen? Silence equally as "profound." Personal dictatorship of one or the other. Bonapartism on both sides. Such is the manner in which bankrupt individualist liberalism appraises class forces and class conflicts. For the rest, profoundly vapid efforts to prove that the workers of the Union of Socialist Soviet Republics are not building a new order of society but a new religion with communism as its Church militant and Lenin as its Godhead. This learned nonsense is contributed in special articles by the philosophical doctor of philosophy, Horace Kallen and echoed by the anonymous editorial writer.

The *Nation*, whose liberalism is somewhat less bankrupt and in the main gropes mildly leftward while that of the New Republic flounders to the right, was until recently less stupid and more discreet about the history that is being made in the Soviet Union. Its tenth anniversary number, although it had some of the defects that might have been anticipated in such a paper, was a creditable performance that put the corresponding number of the professedly more proletarian *New Masses* to shame.

The *Nation* until February 1 contented itself with an article by its Russian "expert" Louis Fisher, as its sole contribution to the controversy. The article does its author little credit as a political analyst of events he was fairly close to. He sees as the kernel of the whole controversy, "city or proletarian opposition against too pronounced pro-peasant tendencies in the party." This is accepting the viewpoint of the opposition and vulgarizing it somewhat. He fails to realize that the highest type of proletarian or city political development is precisely that form of development which views the proletariat not as in antagonism to the peasantry, but in alliance with it under proletarian hegemony, and the highest proletarian or city policies are precisely those conducive to the maintenance and strengthening of that alliance and that hegemony so that the proletariat can lead the peasantry with it to the building of socialism. It is the expression of the syndicalism or trade union narrowness of the more backward and less politically developed sections of the urban proletariat that can lead to the theory that the

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

interests of peasant and worker are antagonistic and that can forego for the proletariat the role of the leader of all the oppressed and exploited masses in favor of "super proletarian narrowness" and antagonism to the idea that the proletarian dictatorship is conceived also in the interests of the peasantry insofar as the interests of worker and peasant are identical. Lenin was expressing the highest development of urban proletarian political theory and practice when he said:

> "The working class will use its control of the state power to satisfy by revolutionary means the needs of the peasantry."

THE NATION TURNS TO RIGA

In its issue of February 1, 1928, the *Nation* suddenly departs from its attitude of "judicial calm" to make room in its pages for a column and a half of the most vicious slander—apparently trying to outdo the more orthodox capitalist press. The editorial bristles with atrocity stuff. Stalin becomes a "reactionary personal dictator" and a "newcomer" (after 25 years of Bolshevism!) he represents "that conservative tendency ever to be associated with excessive personal power" and Trotsky is pictured as about to "be shot in the back while trying to escape in the wilderness of Central Asia!" The least the editorial thrill-inventor might give the Russian communists credit for is the "unspeakably" public way in which they try and execute those whom they feel it necessary to execute. Surely, the respectable *Nation* has often enough complained about that. What Riga rumor-monger landed in the office of the *Nation* and is responsible for the blood-curdling picture of fantastic gossip it is impossible to say but that the visit of some such fertile inventor is responsible is obvious. The "editorial" even adds one new gem to the Riga arsenal. It reads:

> "Sir Austen Chamberlain during the Geneva Conference was quoted as saying (the Nation doesn't even trouble to say who quoted him or to whom he said it—B. D. W.) that England could not enter into conversations with Russia for the simple reason that 'Trotsky had not yet been shot against a wall.'"

Whoever is responsible for that story is wasting his talents on the *Nation*. He could get a job as a feature correspondent on Russian atrocities with the *Chicago Tribune* or the World Wide News Service or could take Nossevitsky's place from under his nose.

The World Tomorrow, a magazine of Christian Liberalism, sweeps aside the "psychological method" with the remark, "of course there are the personal hatreds involved, but that is by no means all of the story." (Editorial in Number of January, 1928.)

The rest of the story is the old tale of Trotsky representing the

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

workers and Stalin the peasants; Trotsky being for world revolution and Stalin wanting to limit socialism to a single country. As its "analysis" is stated in compact form, I quote the part dealing with these questions in full:

> "1. Trotsky stood for the rapid industrialization of Russia: Stalin and his group are satisfied with the peasant predominance.
> "2. Trotsky wanted to shift the burdens of the state from the city population to the peasant; Stalin's program includes peasant relief.
> "3. Trotsky does not believe that Russia will be able to survive as the only revolutionary country; he wants world wide agitation for further revolt. Stalin's face is turned to internal affairs; he wants the friendship of other nations.
> "Stalin's victory," the editorial concludes, ". . . means the peasants are the ruling class."

TROTSKYISM AS A "JEWISH" ISSUE

The most amusing variety of attack upon the Communist Party of the Soviet Union in the guise of enlightenment on the opposition question is the attack in the name of Jewish nationalism. The Jewish bourgeois press has treated the whole matter as a question of expulsion of Jewish communists.

In business circles, petty labor-hating Jewish merchants and cloak manufacturers who regard Communism as a scourge of God and membership in the Communist Party on the part of their workmen or relatives as a terrible calamity, suddenly burst into lamentations because Trotsky has been deprived of the priceless privilege of membership in that same party.

Counter-revolutionary circles that have been the source of many jokes about the supposed Jewish nature of communism, begot a joke of another color to the effect that Stalin resembled Moses in that the one had led the Jews out of Egypt and the other had led them out of the Communist International.

The Riga rumor-factory produced a "document" from the Central Committee calling upon the peasants not to follow up the expulsion of Zinoviev, Kamenev and Trotsky by pogroms against the Jews in general.

The *Reflex*, a magazine of Jewish "liberalism," devoted considerable space in the November issue to the discussion of the controversy and kindred questions. Its editor, S. M. Melamed, wrote the leading article entitled, "St. Paul and Trotsky." Franz Oppenheimer contributed an article entitled "Marxism and Leninism." And W. Gordin, an article of vicious gossip and poison entitled, "Lenin as I Knew Him."

Franz Oppenheimer advances four related theses: 1. that Len-

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

inism is not Marxism; 2. that they are not building socialism in Russia today but "an extensive and crass State Capitalism"; 3. that Trotsky is defending impossible Marxism against realistic opportunism; and 4. that the "social problem of our days will be solved not in Russia but in the United States . . . which will be God's own country indeed, serving Europe as a shining exemplar, with peace and plenty for all imitators."

It is interesting to note how every opponent of communism, be his angle of approach what it may, jumps at the opportunity to prove his old thesis that socialism is impossible in Russia by echoing the opposition's arguments as to state capitalism, deviation from communism, degeneration and surrender to the peasantry. Oppenheimer declares: "The stubborn opposition of Trotsky against the Stalin administration is nothing else but the struggle between Marxian economics and sage Real-Politik resting content, for the time being, with State Capitalism. No other term can be applied to a society permitting thirty million peasants to manage as they choose and to sell their produce for cash in an open market." The goal of the communists he pronounces "unattainable." They have maintained their "minority dictatorship" only by "allying themselves with the peasants at the expense of their ultimate ideal." Trotsky had to be swept aside because he represented utopian, impossibilist true Marxism and defended it against this betrayal.

W. Gordin's vile gossip is not worth dwelling on. Suffice it to note that he uses more coarsely Eastman's "psychological method" of explaining all happenings in terms of the personal traits of the individuals involved. He regards Kamenev as the inventor of "the Lenin cult . . . contrived chiefly as a means of getting rid of Trotsky who naturally had to succeed Lenin as dictator." He turns the usual legend to the effect that the whole controversy is a struggle for power into its truly capitalist form as a struggle for the possession of Russia's economic resources.

". . . . under the cover of this red smokescreen lie inexhaustible wells of oil, priceless gold mines, countless factories, shops and stores; who will manage them? who will rule them? is equivalent to the question: who will possess them?" This is a Jewish pawnbroker's interpretation of history.

S. M. Melamed sees in Trotsky "the incarnation of the wrath, anger and bitterness of a race tortured since the destruction of the ancient Roman Empire. . . He is the 'Big Bertha' on the battle-front between Jew and Slav."

Between Lenin and Trotsky he sees a peculiar division of labor in which "Lenin did all the arguing, but Trotsky, the organizing. . . . None of Lenin's plans and schemes could stabilize the Red

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

regime. Trotsky's organization of the Red Army and reorganization of the Russian railroads did establish Soviet Russia as a world power." What St. Paul was to Christ, Trotsky was to Lenin.

> "If Lenin was the redeemer, Trotsky is the prophet, and like the prophet of the old redeemer, he too may have to pay the penalty for his prophecy. Trotsky, like St. Paul, is in love with and attracted to the city. He has only contempt for the village and for peasants. Hailing from the city, he is not the least interested in the village and its welfare. This very contempt for the village and love for the city so characteristic of St. Paul, too, may yet cost him his head. Already it has cost him his position. The present heads of the government, Kalenin, Rykov and Stalin, have the village background; their main interest is the welfare of the peasants. Not so with Trotsky. The difference between him and his colleagues is traced to that fact alone."

THE CAPITALIST PRESS BACKS THE OPPOSITION

A few random selections from the "better" sort of capitalist press comments are sufficient to show that they backed the opposition in its struggle against communist discipline and the fundamental law of the proletarian dictatorship, keenly conscious of the fact that the violation of communist discipline in the name of communism and of Soviet law in the name of Soviet interests is nevertheless a violation and paves the way for the activities of other sorts of opposition. This was long ago expressed by the Menshevik Dan in these words:

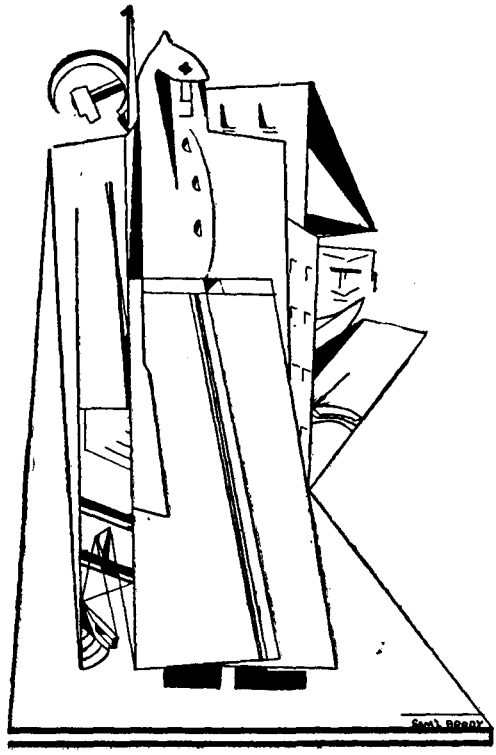
> "By their criticism of the existing system, which is almost a literal repetition of the criticism made by the Social Democrats, the Bolshevik Opposition is preparing the people's minds . . . for the adoption of a positive platform of Social Democracy."

The *Times* expresses the same thing in its lamentation over the defeat of the opposition. It declares in an editorial of December 20 that one of the effects of that defeat will be "the extinction of the feeble spark of democracy discernible in Trotsky's demand for free discussion. . . . Had that been granted, it is not inconceivable that the despised bourgeois freedom of speech might have extended with time beyond the confines of the Communist Party." In other words, the breakdown of communist discipline is a step in the restoration of capitalism.

The *Times* also accepts the opposition's estimate of the policy of the Party as a policy of compromise, of opportunism, of moving to the right, of abandoning the world revolution, of national narrowness, of peasant policy, etc. "Stalin thinks nationally," says the *Times* Editorial of November 17, "and Trotsky thinks in terms of world revolution." By accepting the opposition's estimate of the

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Party, the *Times* and the capitalist press generally are able to get some comfort out of the defeat of the opposition. Incidentally, it is important to note that the opposition is not original in its estimate. The capitalist press has always tried to lessen the influence of the Russian example among the workers of the rest of the world by continually predicting and announcing the degeneration of the Communist Party. "Observers of the Russian scene," declares the same editorial of November 17, "have long been aware of one basic paradox: the attempts to establish Marxian socialism, which is an industrial philosophy, in an overwhelmingly agricultural nation." For the capitalist press (as for the Kautskys and Bauers and theoreticians of the Social-democracy) it is axiomatic that socialism cannot be built in the Soviet Union and that the Bolshevik revolution cannot be successful. Hence, each success is sedulously described as a deviation from the platform of communism.



PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Lenin-Ruthenberg Drive

Ten Thousand New Readers to
THE DAILY WORKER
JANUARY 21st TO MARCH 4th

Join our growing list of readers and help us continue as the voice of the working masses of this country. In this period when great struggles lie ahead, the DAILY WORKER will play a decisive role. Send in your sub at once.

PREMIUMS

For a Yearly Sub
$6.00

Choice of the following:

Offer No.

1. Social Forces in American History—*A. M. Simons.*
2. Ten Days That Shook the World—*John Reed.*
3. Left Wing Unionism — *David J. Saposs.*
4. Misleaders of Labor —*Wm. Z. Foster.*
5. Growth of the Soil — *Knut Hamsun.*
   My Childhood—*M. Gorky.*

For a 6-Month Sub
$3.50

Choice of the following:

Offer No.

6. Growth of the Soil—*Knut Hamsun.*
7. My Childhood—*M. Gorky*
8. Lenin Medallion.
9. Cartoon Book, 1927.
10. Communism vs. Christianism, (Cloth Bound) — *Bishop Wm. Montgomery Brown.*
11. Goodwin Camera.

THE DAILY WORKER,
33 First Street, New York, N. Y.

Enclose $..... for my sub to the D. W. and send me offer number .....

NAME .....

ADDRESS .....

CITY ..... STATE .....

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

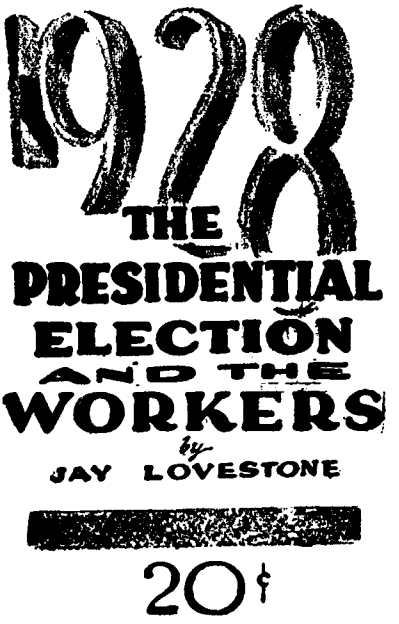
Number 4

OF THE

WORKERS LIBRARY

A New Pamphlet
by JAY LOVESTONE

Analyzing the political and economic background for the 1928 Presidential election.



ANNOUNCING *Number* 5
of THE WORKERS LIBRARY

Just off the Press

THE TROTSKY OPPOSITION

Its Significance for the American Workers

By BERTRAM D. WOLFE

A 100 page pamphlet—PRICE 50 CENTS

WORKERS LIBRARY PUBLISHERS
39 East 125th Street **New York, N. Y.**

PRODUCED 2005 BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED